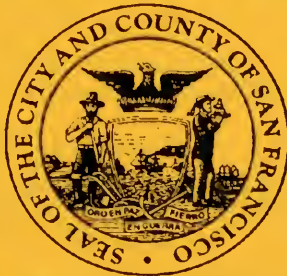


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SAN FRANCISCO AIRPORT COMMISSION



MINUTES

January 12, ²⁰¹⁰~~2009~~
Special Meeting

9:00 A.M.

Room 400 - City Hall

#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)

City and County of San Francisco

**GAVIN NEWSOM, MAYOR
COMMISSIONERS**

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128**

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Minutes of the Airport Commission Special Meeting of
January 12, 2010

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AIRPORT COMMISSION SPECIAL MEETING MINUTES
January 12, 2010

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Richard J. Guggenheim

Absent: Hon. Linda S. Crayton, Vice President

* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of December 15, 2009 were adopted unanimously.

No. 10-0001

* * *

D. DIRECTOR'S REPORT:

1. Annual Report of Airport Contract Awards to Local and Disadvantaged Business Enterprises for Fiscal Year 2008-2009

Ms. Sandra Crumpler, Manager, Small Business Affairs explained that during FY2008/09 (July 1, 2008 thru June 30, 2009) the Commission awarded 24 construction contracts, nine professional services contract and seven concession leases. These contracts were awarded in accordance with San Francisco LBE Ordinance Chapter 14B and USDOT DBE Regulations 49 CFR, Parts 23 and 26. This years report showed an increase in the number of awards to local, minorities and women owned businesses in comparison to last years report.

Asian American contractors received 20 contracts, including prime and sub awards, compared to seven awards last year. Local businesses, primes and subs received a total of 49 contracts representing 40% of contract dollars, in comparison to 20 contracts awarded to LBEs last year. We also saw more active participation in LBE prime awards.

Of seven concession leases awarded, two were awarded to Pacific Gateway, a

minority owned firm, for the Terminal 3 Specialty Retail Kiosk. The other five retail leases were Terminal 1 Boarding Area C Retail, Sleep Unit, Snack and Beverage Vending operations, Terminal 3 Concourse Specialty Store and the Pay Phone Lease.

Chart 1 of this report summarizes these annual awards and the level of participation for local businesses certified by the Human Rights Commission and the disadvantaged businesses certified by the California Unified Certification Program, a federally mandated program.

Under the LBE program construction contracts totaled \$16.3 million. Of this amount, LBEs received \$6.5 million or 40% of the total dollars. \$59 million was awarded in professional services contracts which included the AirTrain Operations and Maintenance Contract worth \$56 million. Of this total amount \$2.8 million was awarded to a certified LBE firm.

Under the Federal DBE program requirements \$5 million of the approximately \$45 million awarded in construction contracts went to certified DBEs. A further breakdown of the contracts and leases by contractor name, number of bidders, sub dollar awards and award date is included in the attached report.

The summary also includes awards by ethnicity and gender as well as the number of contracts, the dollar amounts, and the number of bidders. It also provides each contracting stage with a further breakdown of the subcontractors.

Commissioner Ito was happy to see that the number of awards increased last year, but noted that the dollars are around 12% of total expenditures that go to DBEs and LBEs. She asked if we have higher goals in terms of dollars that we distribute a little more diversely.

Ms. Crumpler responded that the ethnicity summary sheet includes the dollar amounts and the number of contracts. For example, Latino Americans received eight contracts amounting to \$1.1 million. Looking at the concession leases there were two other leases that went to Latino Hispanic Americans. We are seeing an increase in the overall level of participation which may be due to the slow economy, creating a more competitive environment and taking advantage of what is available in terms of contracts throughout the City.

Commissioner Ito agreed that we are moving in the right direction.

Ms. Crumpler noted that LBEs are now bidding as LBE primes.

Commissioner Ito asked if any of them graduated.

Ms. Crumpler responded that these are certified LBEs who have participated on the prime level. We saw a greater increase this year than we have seen in past years which shows that the program is working. They have been coming in as LBE subs, becoming more familiar with the contracting process and feeling more confident in bidding on the prime level.

Commissioner Ito said that the Board was looking at our numbers and the

numbers of other enterprise departments. Apparently, PUC was outstanding.

Ms. Crumpler responded that HRC sent a report to the Board of Supervisors and PUC's numbers had dwindled somewhat. It appears that the Departments are doing anywhere from 10-20%. The Airport LBE figures are at 15% based on that report. We have asked the HRC Director to present that report directly to the contracting department so that we are aware of the what they are presenting to the Board of Supervisors. She has a breakdown for the Commission by ethnicity and contract dollar amount.

Commissioner Ito understood the challenge because much of our professional work is very specific and there may not be as many people out there that are qualified. She asked if we are doing anything differently to try to diversify the professional bidding process. Although that area that is improving, it needs much more participation.

Ms. Crumpler said that we are working with HRC to look at subcontracting opportunities and we are also looking at the certified database to see if the subs are actually there. We are also holding informational meetings with HRC so that subcontractors can network with prime contractors and become aware of future contracting opportunities.

Mr. John Martin, Airport Director said that one of the things we have done on the airport management financial services contracts on the calendar today was to establish lists of qualified contractors so that we can pick companies and help to ensure the highest level of participation.

Ms. Crumpler said that we also participate in a lot of national, local and state conferences and trade fairs to inform the business community about contracting opportunities.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Mazzola asked about the press conference with the Mayor on the whole body screening device.

Mr. Martin responded that aviation security relies upon a layered system where the intelligence works to identify potential terrorists and tries to prevent those individuals from flying, or at least requiring passengers to go through extensive screening. The whole body imagers are really the best technology available to find plastic explosives taped to a persons body or sewn into clothing. We have one whole body imager in place in the International Terminal Boarding Area A. He went on record with Senators Boxer and Feinstein last summer when several members of the U.S. Senate tried to de-fund work to install whole body imagers throughout the country. We went on record that whole body imagers are an effective technology. We feel the TSA has addressed the privacy issues ... the person looking at the images has no visual contact with the person who is being screened. The images that are on the screen can not be retained on the computer and disappear as soon as the next image appears. If someone needs to be searched further they use a radio system to

communicate with another screener to do the pat down and further searching. The screener looking at the image does not do the searching.

Commissioner Mazzola asked if we intend to get additional whole body imagers.

Mr. Martin responded that they are provided by the TSA and we have indicated our wish to have more of the whole body imagers deployed at SFO. Ideally he would like to see one at every checkpoint.

Commissioner Johns asked if the whole body imager would have detected the kind of chemical against the body that was hidden on that passenger recently. She also asked about the other technology being proposed.

Mr. Martin said that he was confident that the whole body imager would have detected it, but was unfamiliar with the other technology she referenced.

Commissioner Mazzola thought it would be good to get additional whole body imagers.

Mr. Martin thanked the Commission for its support.

* * *

F ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Guggenheim and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Award Airport Management Consulting Contract to Jacobs Consultancy for Services Related to Bond Feasibility, Air Traffic Analysis, and Financial and Capital Planning and Analysis in an Amount not-to-exceed \$1,655,000 over Three (3) Years

10-0002

Resolution awarding a contract in an amount not-to-exceed \$1,655,000 over three (3) years to Jacobs Consultancy to provide 1) required third party feasibility reports for bond financings; 2) air traffic analysis and forecasts to support financial planning 3) development of cost allocation plans that meet Federal cost allocation requirements; and 4) general ad hoc airport management consulting services.

Mr. Leo Fermin, Deputy Director, Business and Finance said that we are requesting award of this management consulting contract for production of bond feasibility reports, air traffic analysis and projections that we use for budgeting, rate setting and airline projections, cost allocation plans for charging indirect costs to federal grants and other adhoc services, the need for which can arise unexpectedly. After the Commission authorized the creation of management consultant pools we issued many RFPs to firms in the pools for these services. After reviewing responses to the RFPs staff recommends award

of the contract to Jacobs for a term of three years in order to keep the financing program in continuity and to be able to move quickly should volatility continue in the financial markets. Staff met with HRC to review availability, qualifications and experience of LBE firms for the scope of service outlined in this contract, however, because of the scarcity of firms on the list they did not establish any LBE sub-consulting requirements in this contract. Instead, we recommend three separate contract awards on the Consent Calendar to small, local business consultants, one of which is a San Francisco certified LBE firm. Although the other two are not certified, one is a woman owned firm and one has an office in San Francisco. These are Item Nos. 7, 8 and 9 on the Consent Calendar.

Commissioner Johns asked if Item Nos. 2 and 7 on the calendar are totally separate, or do they work together?

Mr. Fermin responded that this item is primarily for bond feasibility services as well as air traffic projections and forecast and analysis.

Commissioner Johns noted that it also referenced Capital Planning and wondered if there was a connection between the two.

Mr. Fermin replied that the nexus is that the Capital Plan is always a section in the feasibility report. The Capital Planning consultant will work on the five year capital plan as a separate stand alone document and the process is to review the projects in the plan. There is also work that is done to prepare reports on the progress of individual projects in the Five Year Capital Plan.

Mr. Martin added the first item relates to before the work begins; the second item, RW Block, relates to work once the project begins and tracks the costs in the performance against the budget.

Item No. 3 was moved by Commissioner Ito and seconded by Commissioner Guggenheim. The vote to approve was unanimous

3. Modification No. 4 to Contract 8757.9 - Construction Management Services for Terminal 2/Boarding Area D Renovations. T2 Partners, A Joint Venture of Parsons Transportation Group, EPC Consultants, Inc., and The Allen Group, LLC - \$5,720,000

10-0003

Resolution approving Modification No. 4 to Contract 8757.9, Construction Management Services for Terminal 2/Boarding Area D renovations with T2 Partners, A Joint Venture of Parsons Transportation Group, EPC Consultants, Inc., and The Allen Group, LLC, in the amount of \$5,720,000 for services thru December 31, 2010.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction, explained that this is the annual modification to the T2 Partners contract for providing construction management services on the T2 Renovations Project. With this modification their total contract amount to date will be \$15,140,000. The

Terminal 2 Design Build projects to proceed on a fast track basis. The design effort is complete and the issue for construction documents is also complete. This incorporates all of the subcontractor designs into it ... a very extensive effort that was achieved in August. The construction subcontracts awarded to date total \$190,000,000 or 74% of the anticipated \$260 million in total subcontracted scope.

T2 Partners is providing a high level of service to the Airport. They continue to maintain the appropriate focus on cost and schedule and they are fully engaged in the coordination efforts with Airport staff to minimize any disruptions to the operation while we construct the building. We still are holding a January 2011 substantial completion date for the project and our forecast is still within the \$383 million original budget. The CM forecast continues to be within the Airport's overall goal of 15% and for soft costs the CM services themselves are within the 5% goal that we set for those services. The integration of construction management staff with Airport construction management staff is serving the project well. T2 Partners provides construction management professionals and administrative staff and specialized expertise for the various complicated baggage handling and special systems.

The Airport is providing a resident engineer and field inspection staff to supplement the team ... it's a very integrated approach. The team works closely with the rest of the Airport's stakeholders to ensure that all of the program requirements are met and that the impacts are mitigated to the ongoing operation.

We are achieving very good results with that integrated team and we are experiencing a very low level of changes to the project related to not meeting state code or program requirements. The team is doing an excellent job capturing all of the issues during the design phase. T2 Partners is achieving a 9% LBE subcontractor participation. This is lower than the 10% goal primarily due to the number of specialized consultants that we have brought on board to support the special systems and the baggage handling system effort. However, they will achieve or exceed their 10% goal. They have also been very aggressive with the City Build program and have hired seven people at different times from City Build. He has been extremely impressed with the quality of the folks coming out of City Build. They have been contributors to the project and they do come back when they go off to school. They are excited about being engaged in the project so it is working well.

Item No. 4 was moved by Commissioner Ito and seconded by Commissioner Mazzola. The vote to approve was unanimous

4. Request for Qualifications (RFQ) for Design-Build Services - Contract No. 8974A - Boarding Area E Refurbishment - \$15,000,000

10-0004

Resolution authorizing staff to issue a Request for Qualifications for Design-Build Services for Contract 8974A, for refurbishing Boarding Area E in the amount of \$15,000,000.

Mr. Satero explained that this project provides for a fairly significant level of improvement to the Boarding Area E facility. American Airlines will move to Terminal 2 once it is completed. This gives us the opportunity to renovate Boarding Area E while it is vacant to allow for the new tenants to move into a well functioning facility. The total budget for the Boarding Area E improvements is \$22 million. This contract will be in the estimated amount of \$15 million. The scope of work under this design build contract consists primarily of architectural and building systems replacement and refurbishment. The second scope of work, which will be under a separate contract request, is for the baggage handling system and passenger boarding bridges. We are directly contracting for that scope due to the complexity of the systems and our need to control that work and not impact operations. We must be prepared to begin work on Boarding Area E as soon as American moves to Terminal 2 and the design build approach gives us this opportunity. We are able to complete the design while construction is in progress and we are able to buy long lead items. As soon as American is out of Boarding Area E we are going to hit this project very hard and we are going to achieve a completion schedule of November of 2011. With the time efficiencies that we realize, it gives us cost savings as well. And as we have seen with the Secure Connector and the Terminal 2 project, we make better decisions when we have the contractor engaged in the early phases of the project because they are able to make informed decisions with cost and schedule information. With the RFQ process we will pre-qualify firms based on expertise and experience in terminal design and return to the Commission with the recommendation to approve a short list of up to five firms, depending on the number of firms that submit and the level of qualifications that they bring to the table. We will then ask the Commission to approve the short list and authorize an RFP process. The Design-Build Ordinance requires a two step process ... first a qualifications process and then a proposals process.

We have initiated outreach efforts to gain contractor interest in this project. This is in the middle of a number of mid sized City contracts. We will work with the HRC to develop the LBE goals for subcontractor participation. Funding is from the Airport's Capital Improvement Program. .

Commissioner Guggenheim asked if the goal is to place Continental and USAir where American is currently located.

Mr. Satero responded that it is.

Mr Martin added that we will have the Star Alliance Partners, including Air Canada, all in Terminal 3.

Item No. 5 was moved by Commissioner Guggenheim and seconded by Commissioner Mazzola. The vote to approve was unanimous

5. Request for Qualifications (RFQ) for Design-Build Services - Contract No. 8970 Closed Circuit Television (CCTV) Advanced Surveillance Program

10-0005

Resolution authorizing the staff to issue a Request for Qualifications (RFQ) for Design-Build Services

Mr. Tryg McCoy, Deputy Director, Operations and Security, said that this item requests approval to issue a Request for Qualifications for Design Build services to manage and upgrade, an improvement to the Airport's closed circuit television system. Last July the Commission approved an almost \$5 million grant to improve our existing CCTV technologies. We are now seeking a technology systems integrator contractor to help us design, procure, install and construct the system upgrades. This is a design build contract that Ivar would normally be presenting, but he is presenting it because it is focused on security. This is a design contract because the final system components and the specific technologies to be selected are not yet defined, nor are they defined in the Other Transaction Agreement that we have with the TSA. In working with the TSA we have a degree of creative freedom to select and deploy up to a specific upgrade we think appropriate to our system. We have earned that freedom from the TSA because of our great experience in the past of successfully deploying the Closed Circuit Television System and other technologies that have been recognized in the nation as being one of the best airport systems in the nation. This project is 100% funded by the Other Transaction Agreement for \$4.9 million. A selection committee will evaluate the responses to the RFQ and we will return to the Commission with a recommended short list of successful proposers. We will return again to award to the firm offering the best value based on the proposal and lump sum cost.

6. Item Removed from the Calendar.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 7 through 17, was moved by Commissioner and seconded by Commissioner. The vote to approve was unanimous.

7. Award of Airport Management Consulting Contract to R.W. Block Consulting, Inc., for Financial and Capital Planning Services Related to Capital Improvement Project Cost Reports in an Amount not-to-exceed \$80,000 over One (1) year

10-0006

Resolution awarding a contract in an amount not-to-exceed \$80,000 over one year to R.W. Block Consulting, Inc., to develop capital improvement project cost reports to simplify tracking of Capital Plan expenditures and assist in preparing forecasts of the Airport's future capital needs.

8. Award of Airport Management Consulting Contract to AVK Consulting, Inc., for Financial and Capital Planning and Analysis Services Related to Rates and Charges in an Amount not-to-exceed \$100,000 Over Three Years

10-0007

Resolution awarding contract in an amount not-to-exceed \$100,000 over three years to AVK Consulting, Inc., to augment Airport staff in periodic calculation and evaluation of Rates and Charges and to provide assistance in confirming that the Airport's Rates and Charges meet the requirements of the Airport's Lease and Use Agreements.

9. Award of Airport Management Consulting Contract to Infrastructure Capital Advisors, LLC with Sub-Consultant Robert Kuo Consulting, LLC for Financial and Capital Planning Services Related to Capital Improvement Planning in an Amount not-to-exceed \$75,000 over Three (3) Years

10-0008

Resolution awarding contract in an amount not-to-exceed \$75,000 over three years to Infrastructure Capital Advisors, LLC and Sub-Consultant, Robert Kuo Consulting, LLC to assist in developing the Airport's Capital Improvement Plan.

10. Authorization to Terminate Contract Negotiations with Remote Satellite Systems International (RSSI) and Enter into Contract Negotiations with the Next Highest Ranked Firm, Cyberwatch Communication, Inc., for the Supply, Delivery and Installation of a Phone-Based Communication System

10-0009

Resolution authorizing termination of contract negotiations with Remote Satellite Systems International (RSSI) and commencement of contract negotiations with the next highest ranked proposer, Cyberwatch Communication, Inc., for the supply, delivery and installation of a satellite phone-based communication system.

11. Authorization to Issue a Request for Proposals and Enter into Negotiations with the Highest Ranked Proposer for the Airport Curbside Management Program

10-0010

12. Award Contract 8283 ADA Curb Ramp Upgrade - Evra Construction - \$363,000

10-0011

Resolution awarding Contract No. 8283, ADA Curb Ramp Upgrade to the lowest, responsive, responsible bidder, Evra Construction, Inc., in the amount of \$363,000.

13. Clear Channel Outdoor, Inc's Airport Advertising Lease No. 00-0408 - Approval of Amendment No. 3

10-0012

Resolution approving Amendment No. 3 of Clear Channel Outdoor, Inc.'s Airport Advertising Program Lease 00-0408, which adds premises, sets forth an allocation of the base rent for the new advertising mediums, and exercises the three one-year options provided under the lease.

14. Modification No. 2 to Contract No. 8861, Airport Security and Vulnerability Assessment - New Age Security Solutions (NASS) - \$155,000

10-0013

Resolution approving Modification No. 2 to Contract No. 8861 to New Age Security Solutions (NASS) to increase the contract amount by \$155,000 for a new total of \$620,000.

15. Reject All Bids for Contract No. 8832 - Central Garage Vehicle Entry Canopy

10-0014

Resolution rejecting all bids for Contract No. 8832, Central Garage Vehicle Entry Canopy and authorizing the Director to rebid when ready.

16. Approval of a Lease with the U.S. Government

10-0015

Resolution approving Lease No. GS-09B-02354 with the U.S. Government for space to be occupied by the U.S. Drug Enforcement Administration in Terminal 3 and directing the Commission Secretary to forward the lease to the Board of Supervisors for approval.

17. Denial of Wine Wisdom, Inc's Request to Transfer Ownership Interest of Boarding Area F Wine Retail and Tasting Venue Lease No. 04-0205 from Rilla Ginsberg to Greg Fong and Jose Placencia

10-0016

Resolution denying Wine Wisdom, Inc.'s request to transfer ownership interest of Boarding Area F Wine Retail and Tasting Venue Lease No. 04-0205 from Rilla Ginsberg to Greg Fong and Jose Placencia.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located

on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Ray Tate, Jr., American Gas & Technology, submitted an application to amend a Commission resolution dated May 22, 2009. At that time there was Federal legislation going into both the House and the Senate as an energy policy to make natural gas vehicles far more accessible, with stations across the country. The Commission's resolution was timely although the Federal legislation was delayed because of the Health Bill. The Commission required that vans operating at the Airport to start running on clean natural gas and converting 25% of their fleet each year so that it would be 100% by 2013.

What we are asking you to do in this application is instead of 25%, move it to a third, a third, a third starting next year so that the Federal legislation can go through and these operators can get the kind of financing they need to do this. Last year everyone thought the recession would be over and that the banks would start releasing money. They haven't. As a result this will be a great hardship, if not impossible for most of them. This application is for the Commission's review. They would like to get it on the calendar at some point for a decision on a change from 25%, 25%, 25%, to 33.3%, 33.3%, 33.3% starting next year.

Commissioner Mazzola thought this would make it harder.

Mr. Tate said that there is Federal legislation that will give \$10,000 tax credits for each vehicle when they are converted and \$200,000 for each station along with State and local programs. Right now there is only one company that makes conversion equipment for Fords. Ninety percent of all of these vans are Fords so it locks them in and there is no competition. Also, the newer technology liquid natural gas will extend the range three times from that of compressed natural gas, but it won't be available until that legislation passes as well.

Commissioner Guggenhime noted that Mr. Tate was asking for a one year deferral by asking for 33, 33, 33 instead of starting in May of 2010 at 25%.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:39 AM and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 10:00 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:01 AM.


Jean Caramatti
Commission Secretary

BEFORE THE SAN FRANCISCO AIRPORT COMMISSION

Application of American Gas & Technologies, Inc.

Submitted 1-12-2010

for modification of the

Clean Energy Policy Resolution No. 09-0107.

APPLICATION OF AMERICAN GAS & TECHNOLOGIES FOR MODIFICATION OF THE CLEAN ENERGY POLICY RESOLUTION NO. 09-0107

Barry Deutsch

Agent for:

AMERICAN GAS & TECHNOLOGIES, INC.

Barry J. Deutsch

4073 Howard Ave

Los Alamitos, California 90720

(562) 596-5544

Dated: January 12, 2010

I.

INTRODUCTION

Local, State and Federal agencies are looking for ways to clean up the exhaust emissions from vehicles in their fleets and/or operating within the boundaries. The Airport Commission adopted a clean vehicle policy for shared ride and prearranged vans on May 22, 2009 (resolution # 09-0107) establishing a May 31, 2013 date that mandates 100% of the ride share vans to be clean air vans. Although this Application amends Resolution # 09-0107, it still provides for 100% compliance by May 31, 2013.

Without an amendment, a permit tees will be subject to a pay a trip fee to the airport that is three times the basic trip fee of \$2.75/\$3.05 for the shared ride van or prearranged vans respectively as approved by the airports rates and charges, and/or the operator's fleet allocation will be reduced by the proportionate number of noncompliant gasoline vehicles, or any other measure the director deems appropriate to guarantee the goal is met.

The current implementation dates are as follows:

5/31/2010	25% of fleet
5/31/2011	50% of fleet
5/31/2012	75% of fleet
5/31/2013	100% of fleet

1/3
1/3
1/3

Applicant requests that (resolution # 09-0107) be immediately amended to reflect the true nature of the Natural Gas Vehicle industry, the current economic times in California, Federal Antitrust Laws and the undue hardships that will prevail to many of the 250 Families supported by the owners and operators of the subject vans if the resolution is not amended.

A copy of (resolution # 09-0107) is attached hereto as exhibit A.

II.

DISCUSSION

1. The natural gas vehicle manufacturers are not prepared at this time.

Most of the vans used in San Francisco international Airport are manufactured by Ford Motor Company, General Motors or Chrysler. These companies are considered the original equipment manufactures (OEMs.)

Ten years ago OEMs were building natural gas vehicles. They unfortunately stopped manufacturing natural gas vehicles in the United States because we lack an energy policy sufficient to make the economics desirable for most fleets. Until legislation is passed to level the

BAF and Baytech both manufacture approximately 35% of the actual natural gas vehicle conversion kits that must be certified by the California Resources Board. They both rely on other independent third-party suppliers to provide the vehicle fuel tanks, fuel lines and many of the valves and other items.

If van owner/operators are forced to comply today, the vast majority (Ford owner) would be forced to utilize only CNG and aftermarket vehicle conversions available through only one supplier, with very little if any, local maintenance support.

The decade of the 90s was considered to be the natural gas vehicle research, development and demonstration decade. The natural gas vehicle market in California is now smaller than it was during the last decade. The Natural Gas Vehicle Industry today is basically a research, development and demonstration industry. Under the current circumstances it would be unfair and unreasonable to mandate fleets to utilize compressed natural gas until the Federal Natural Gas Vehicle Act legislation is passed in 2010. This will create the marketplace that will allow natural gas vehicle fleets to be successful.

The Airport Commission's position is that only Baytech and BAF conversions can be utilized on the vans because they are certified by California for CNG. The Airport's position should be that vans can operate on the Airport grounds provided that they run on natural gas, meet the California Air Resources Board's fuel specifications and they are converted to natural gas vehicles authorized with an executive order by the California Air Resources Board. Any more or any less is unreasonable and well beyond the authority of the Airport Commission.

3. Natural gas vehicle refueling infrastructure is not prepared at this time.

Today, the total number of natural gas vehicle refueling locations in the 9 Bay Area Counties is severely limited to just 25 stations. These stations dispense only Compressed Natural Gas (CNG), which is stored at very high pressure in the vehicles tank. CNG only stations use older, less desirable technology.

Almost half (11) of the (25) CNG stations that do exist are owned by Pacific Gas & Electric. These stations have been known for dispensing unwanted amounts of oil into vehicles fuel tanks during refueling. Historically, this oil, over time, fills the vehicle fuel tank more and more each day. This reduces the vehicles range between fill-ups, until the vehicle stops running completely. To repair the problem the vehicle tanks (3 or 4) must be removed, drained or replaced, with a price tag of roughly \$4,000 per vehicle for each occurrence. This has reoccurred on many vehicles and has been the number one factor leading to the bankruptcy of local cab companies such as Yellow Cab, which operated out of Burlingame, San Mateo, Belmont, San Carlos, Redwood City and Menlo Park.

Newer natural gas refueling technology is in the pipeline and scheduled to move into the marketplace to dispense ultra pure Liquefied Natural Gas in 2010. Today's best available technology allows Natural Gas Vehicles to be equipped with liquid natural gas tanks that

adopted an LNG fuel standard composition to be used in California or the various LNG fleets operating in California today would not be operating illegally.

The applicant believes that the airport's staff should confirm that the California Air Resources Board certifies fuels in California. Staff should get a copy of the California LNG fuel composition standard and notify all fleet operators that LNG is an acceptable fuel under the San Francisco Airport's Clean Energy Policy guidelines provided that the vehicle is converted to LNG with equipment that is certified by the California Air Resources Board's executive order. The airport staff should do this as soon as possible so that fleet operators can start ordering LNG equipment immediately.

4. The federal government incentives (the natural gas act) are not in place at this time.

Natural gas vehicles stakeholders have been working with the House and Senate to pass legislation that would encourage the use of natural gas vehicles in the United States. On May 22, 2009 (the date Resolution # 09 – 0107 was passed) stakeholders believed that the Natural Gas Act (H. R. 1835 and S. 1408) would be passed and signed into law. Both bills are heavily supported by Democrats and Republicans. The bills are expected to be the centerpiece for the Obama Administration's clean green energy platform, which is expected to employ millions of Americans.

Unfortunately the House and the Senate were unable to address these bills because of they are so heavily focused on the Health Care Reform. Stakeholders now believe that these two bills will be passed and signed into law during the first half of 2010. The passage of this energy legislation will commercialize the use of natural gas vehicles and the development of natural gas vehicle station infrastructure. The legislation is expected to create a \$10,000 Federal Tax Credit for each van and mandate the installation of approximately 90,000 natural gas vehicle stations across America. Until then, natural gas vehicles at the airport will continue to be significantly problematic, uneconomic and impractical for most fleet owner.

5. The United States is in the worst recession since 1929.

The United States is seeing the worst economic times since the Great Depression. And California and its residents are being especially impacted. With over 12% unemployment and a significant number of home foreclosures many California residents are unable to meet their financial obligations. The banks have all but shut down lending regardless of one's credit score.

There are about 250 owner/operators of the ride share vans operating at San Francisco International. Many of these drivers are working 10 and 12 hours a day trying to make ends meet in these tough economic times. The vast majority of these owner operators couldn't get a loan to purchase a \$52,000 natural gas passenger van if their jobs depended on it. In other words the vast majority of these drivers will be unable to comply with resolution #09-0107 and thus, could be forced out of their jobs.

that meet the standard. The airport will review the standard and certifications provided by the CEC and California Air Resources Board on an annual basis.

Henry Thompson responded;

At this meeting, we are not going to debate LNG, we are here to discuss the CNG or equivalent fuels that are available to permittees now, not in the future. Permittees need to get ready to meet the first deadline of 25% CNG or equivalent by May 31, 2010.

Henry Thompson also stated as follows:

There is still plenty of time for permittees to get their vehicles. This is not new, we have been mentioning it to you for at least three years that CNG or equivalent vehicle compliance was coming. There are no surprises here.

Igor Bronshteyn then stated as follows:

This is a lot of up-front money and it's not been proven.

Henry Thompson responded as follows;

Not a true statement. The airport has been up-front with the industry on clean vehicles; we were careful not to be too restrictive. All our decisions to move forward were based on objective state emissions information. At present, CNG is the cleanest fuel available for vans, therefore only CNG meets our standard for the May 31, 2010 deadline. The specific milestones laid out in the Airport Commission's resolution were strictly set - don't wait for a decision on LNG to place orders.

Roger Hooson then respond as follows;

We respectfully don't know all there is about LNG, but we will review the availability of state-certified LNG vans over the next year. As for now only Baytech and BAF meet the state requirements for natural gas van conversions. If other companies get certified we will entertain those, if all pollutant emissions are equivalent or better. CARB certification is required. It is important to purchase vehicles from reputable people who know CNG vehicles, which will contribute to the long-term use of your fleet.

Igor Bronshteyn then stated as follows;

I have had my issues with CNG vehicles; how can I trust that these CNG conversions are any better? It is a lot of money for us small operators.

John Sledge responded as follows;

True, there were issues in the past, when original equipment manufacturers like Ford produced CNG vans.

The applicant respectfully submits this Application for itself and hundreds of other interested parties that choose to remain unnamed at this time.

AG&T's principal place of business:

AMERICAN GAS & TECHNOLOGIES, INC.

1165 Bryce Court

Lakeport, California 95453

Communications in regard to this Application are to be addressed to the attention of

Ray Tate Jr., President, at the above address; his telephone number is (707) 263-5406

Email RTATEJR@AG&TLNG.com.

IV.

CONCLUSION

Based on the foregoing, AG&T respectfully requests an Order from the Commission to;

(1) Amend the San Francisco Airport Commission's policy resolution # 09 – 0107 to reflect the proposed mandatory implementation dates and percentages that are as follows:

5/31/2011	33% of fleet
5/31/2012	66% of fleet
5/31/2013	100% of fleet

Although this Application amends Resolution # 09-0107, it still provides for 100% compliance by May 31, 2013.

(2) Direct Commission Staff to research the Liquefied Natural Gas Vehicle fuel specifications adopted by the California Air Resources Board and determine if (LNG) is or is not an approved transportation fuel for use in California and at the San Francisco International Airport. And direct the commission staff to notify all affected fleets and interested parties of record as attached within 60 days or earlier so that van owner/operators can order their vehicle conversions and stations ASAP.

(3) Direct the Commission staff to change the existing Natural Gas Vehicle Conversion Equipment Policy to include and accept conversions made by any conversion manufacturer subject to the conversion equipment being certified by the California Air Resources Board, with an issued Executive Order as

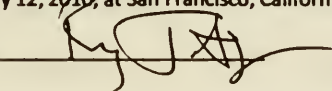
VERIFICATION

I am an officer of the applicant corporation herein, and am authorized to make this verification

On its behalf. I am informed and believe that the matters stated in the foregoing are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed January 12, 2010, at San Francisco, California.

/s/ Ray Tate Jr. 

Ray Tate Jr.

President

AMERICAN GAS & TECHNOLOGIES

1165 Bryce Court

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RTATEJR@AG&TLNG.COM

707-263-5406

SERVICE LIST OF INTERESTED PARTIES

Last Updated on 6, JAN 2010 by: CRT

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***** INFORMATION ONLY *****

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

**January 26, 2010
Special Meeting**

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

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Minutes of the Airport Commission Special Meeting of
January 26, 2010

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AIRPORT COMMISSION SPECIAL MEETING MINUTES OF
January 26, 2010

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:04 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Caryl Ito
	Hon. Eleanor Johns
	Hon. Rich Guggenheimer

Absent:	Hon. Linda S. Crayton
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* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of January 12, 2010 were adopted unanimously.

No. 10-0017

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito commented on the Japan Airlines bankruptcy and assumed the Commission would receive more details re the consequences.

Mr. John Martin, Airport Director responded that he received a call from a Senior Vice President at Japan Airlines and we fully expect that they will pay in full the amounts due. We have a security deposit that far exceeds the balance owed of \$4,500.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was moved by Commissioner Johns and seconded by Commissioner Mazzola. The vote to approve was 3 to 1, with Commissioner Johns casting the dissenting vote.

1. Award Shoeshine Service Lease to SLB, Inc. dba Goodfellows Shoeshine Minimum Annual Guarantee of \$25,000

No. 10-0018

Resolution awarding the Shoeshine Service Lease to SLB, Inc., dba Goodfellows Shoeshine, for a minimum annual guarantee of \$25,000 for the first lease year.

Mr. Leo Fermin, Deputy Director, Business and Finance said that the lease covers one location in Terminal 1, Boarding Area B and three locations in Terminal 3. The current lease expired after ten years and a competitive selection process was recently conducted for a new lease. Each member of the three person evaluation panel individually rated Goodfellows Shoeshine the highest overall. Aside from the financial offer, Goodfellows was also rated the highest in each of the five main evaluation categories. They offered a minimum annual guarantee of \$25,000 while the second proposer offered \$36,060. We are aiming to have the new lease commence in March and have the tenant complete construction of the facilities by June. The lease term is seven years with one, two-year option.

Commissioner Johns asked if anyone is protesting the award. She expressed concern that this is a long term lease that has belonged to or has been run by local folks. She understood that Goodfellows was a DBE, but they are not local.

Mr. Fermin said that is correct. Goodfellows is out of Las Vegas with operations in Las Vegas and other airports in the West.

Commissioner Johns said that she is disappointed that we are losing a local firm for an out-of-town company, even though it is a woman-owned business.

Commissioner Ito asked what the revenue has been on this lease. Is this guarantee higher than what we've been generating from prior leases collectively?

Mr. Fermin responded that the MAG previously was \$5,000 plus 10% of the gross, so this minimum guarantee is much higher.

Commissioner Ito asked if Mr. Flynn had operations at other airports.

Mr. Martin responded that he only has San Francisco.

Commissioner Johns asked if the percentage of gross remains the same.

Mr. Fermin responded that it remains 10%.

Commissioner Johns asked what Mr. Flynn proposed.

Mr. Fermin responded he proposed \$36,000. Although higher than the winning proposer, the financial offer was just one of the criteria. Mr. Flynn did get the full points for the financial offer because his MAG was higher.

Commissioner Johns assumed that we would be better off with Flynn's proposal.

Mr. Fermin responded slightly better ... by \$11,000 a year more.

Commissioner Johns asked Mr. Fermin to share some of the other points that superceded the revenue issue.

Mr. Fermin responded that the proposal was evaluated on a number of criteria ... quality of existing facilities, proposed concept, quality of the staff and level of customer service, business experience, design intent and capital investment and the proposed business plan. The evaluation panel made site visits to Mr. Flynn's newsstands as well as to Goodfellows' shoeshine stands at the other airports. During those site visits customer service and other criteria were evaluated as well.

Commissioner Johns asked if we explained that we were looking for something different before the RFP was issued.

Mr. Fermin responded that we held a pre-proposal conference and explained what the evaluation criteria would be, going into it great detail and step by step. Three firms attended the pre-proposal conference, but only two submitted proposals.

Commissioner Johns asked what the point differential was on the overall scoring. Mr. Fermin responded that North Terminal Shines received a grand total of 65.2 points out of 100, and Goodfellows received 83.5 points out of a total of 100. Goodfellows received the most points overall in every criteria except for the financial offer. Also, each panel member individually rated Goodfellows the highest overall ... it was unanimous.

Commissioner Ito asked if the panel included a non-Airport member.

Mr. Fermin responded that we had two Airport staff members, and the Station Manager for Frontier Airlines.

Ms. Shelly Carson, President and CEO of Goodfellows Shoeshine, said that they are based out of Las Vegas, Nevada. The fact that they are an out-of-town company has been an issue for them in the past. The company began in Las Vegas 18 years ago with one concession and the idea of bringing shoeshine out of the men's restrooms which is where they used to be in Las Vegas. They have since grown the company into many, many locations ... on the Las Vegas strip, five locations at McCarran Airport, eight locations in Phoenix Sky Harbor Airport, and they were recently awarded the San Diego Airport with another four locations. They are a certified Nevada DBE company, a certified California DBE company, a certified Arizona company and, with all due respect to their MAG being less than the existing company, the proposal is written as a MAG or percentage, whichever is greater. They never end up paying the MAG; they always go the percentage. Their company is ready, willing and able to build and completely gut out what is currently at SFO. The condition of the concession at SFO is not very nice and she believes that one of the reasons their company was chosen is because they build beautiful locations. They have a sense of place in mind when they build them. They will probably spend six figures to gut, rebuild and upgrade the current shoeshine operation. And their customer service standards are five star.

Growing up in the Las Vegas market they have had to march to a different beat than most shoeshine companies in the United States. That is why they are being chosen over some existing operators. They have also agreed to take on the existing shoeshine workforce, although they will have to meet their criteria and abide by their high standard of operation. One of the locations won't be just a shoeshine, but a shoeshine with men's grooming products. This concept does not currently exist at any airport ... SFO will be the launch site.

Commissioner Ito assumed that the RFP made it clear that capital improvements would be rated highly so there was an expectation of upgrading existing locations.

Mr. Fermin responded that there was.

Commissioner Ito asked if there would be locations in Terminal 2 as well ... this award just covers Terminals 1 and 3.

Mr. Fermin responded that there are no shoeshine stands planned in Terminal 2. We originally had a location in mind but it was eliminated due to the need to preserve a space for the secure connector.

Commissioner Johns noted that the MAG was for the first year and asked what happens after that.

Mr. Fermin responded it gets adjusted by a CPI. Our leases traditionally have a CPI index that adjusts the MAG.

Commissioner Johns assumed that it can go up or down.

Mr. Fermin responded that it usually goes up; we never go down.

Commissioner Ito said that she will vote based on the testimony of the winning proposal, but is concerned about supporting local businesses that have done good work for our Airport. It does clearly sound like it was a fair process.

Commissioner Johns said that she is going to vote no on the principal that we need to support the local business.

Item No. 2 was moved by Commissioner Johns and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Free Wi-Fi for Travelers

No. 10-0019

No. 10-0020

Two resolutions approving 1) interim pilot project agreement with T-Mobile USA, Inc.; and 2) issue a request for proposals for a longer term provider.

Ms. Theresa Lee, Deputy Director, Administration explained that this item seeks approval of two resolutions related to providing free WiFi services at SFO. The Airport currently provides connection fee-based WiFi services to the traveling public through our vendor, T-Mobile. This service has been in place for nearly seven years. The Airport wants to remain competitive with other airports such as Las Vegas, Seattle, Oakland and San Jose, and increase customer satisfaction by providing free WiFi services to the traveling public. Airport staff is requesting Commission approval on two separate but interrelated resolutions to provide free WiFi to travelers this year. To proceed in a timely manner and to avoid any disruption to current services, the first resolution seeks approval to enter into and execute a pilot agreement for free WiFi with the current WiFi provider. Once approved, the next step would be for the City Purchaser to approve our request for a pilot agreement. This pilot will provide an uninterrupted transition to the long term free WiFi service which will be conducted through an RFP process. This will also allow the Airport time to draft and develop the business terms for the competitive process. To ensure that we are moving efficiently towards a long term provider of free WiFi services, the second resolution seeks approval to issue an RFP to select the long term vendor for free WiFi services and to negotiate with the highest ranked proposer. Staff will return to the Commission for award.

Commissioner Ito assumed that there is no cost to us during this pilot process.

Ms. Lee explained that during the pilot period there will be a cost to the Airport paid to the vendor and that is all part of the negotiations.

Commissioner Johns assumed this will be very competitive and asked if we are expecting that T-Mobile will be the most competitive in terms of cost.

She noted that T-Mobile will be the interim provider for free WiFi. A long term lease for free WiFi will be conducted through the competitive process. We need to ensure a transition from the expiration of the current contract in March through summer when we anticipate we will have free WiFi. The current agreement will continue on a month to month basis.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 3 through 8, was moved by Commissioner Ito and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

3. Contract 8974.1 - Boarding Area E Baggage Handling System and Passenger Boarding Bridge Improvements Design and Integration Authorization to Issue a Request for Proposals (RFP) for Professional Services

No. 10-0021 Resolution authorizing an RFP for Professional Services for Contract 8974.1, Boarding Area E Baggage Handling System and Passenger Boarding Bridge Improvements Design and Integration.

4. Contract 8974.2 - Airport-Wide Baggage Handling System and Passenger Boarding Bridge Improvements Design and Integration - Authorization to Issue a Request for Proposals (RFP) for Professional Services

No. 10-0022 Resolution authorizing an RFP for Professional Services for Contract 8974.2, Airport-wide Baggage Handling System and Passenger Boarding Bridge Improvements Design and Integration.

5. Bid Call - Contract 8466A - Terminal 1 Boarding Area B Building Foundation Repair

No. 10-0023 Resolution approving the scope, budget, and schedule for Contract No. 8466A, Terminal 1 Boarding Area B, Building Foundation Repair and authorizing the Director to call for bids when ready.

6. Bid Call - Contract 8985 - Airport Fire Suppression Systems Repairs and Upgrade

No. 10-0024 Resolution approving the scope, budget, and schedule for Contract 8985, Airport Fire Suppression Systems Repairs and Upgrade Repair and authorizing Director to call for bids when ready.

7. Bid Call - Contract 8465B - Superbay Hangar Fire Protection Improvements, Phase B

No. 10-0025 Resolution approving the scope, budget, and schedule for Contract No. 8465B, Superbay Hangar Fire Protection Improvements, Phase B and authorizing the Director to call for bids when ready.

8. Adopt Requirements of Sections 13510(c) and 13522 of the California State Penal Code Relating to the Recruitment and Training Standards of Public Safety Dispatchers

No. 10-0026

Resolution adopting the requirements of Sections 13510(c) and 13522 of California State Penal Code relating to Recruitment and Training Standards of Public Safety Dispatchers and apply the standards to the Airport Communications Center Personnel.

Mr. Steven Pitocchi, worksite organizer for SEIU Local 1021. The Commission agreed to hold this item over in order to provide a chance to meet and confer with the Department over this matter. He reported that on January 13th they met with the Department and all questions were answered adequately. We are able to move forward with this process. He thanked the Commission and Director Martin for the opportunity to meet with the Department and those who were involved.

* * *

G. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Kevin O'Connor, organizer for Unite Here Local 2, was present to talk about the Terminal 2 food concessions that will be before the Commission in the near future. Local 2 represents about 700 workers in the Domestic Terminals and the International Terminal who care very much about the quality and making sure that we have good employers throughout the Airport, but especially at Terminal 2. He asked everyone present with Local 2 to stand ... most of them are from the Airport, with a few from hotels in the City.

He said that of concern today is the potential for bad employers in Terminal 2. First is Fung Lum, which he spoke about with the Office of Labor Standards Enforcement re the Minimum Compensation Ordinance and the Healthcare Ordinance. Mr. Rich Waller told him that in the not too distant future Fung Lum will be found to be out of compliance with the Minimum Compensation Ordinance ... regarding wages and paid time off ... and the Healthcare Ordinance. He does not think that they should be in Terminal 2.

There are a number of workers present from Emporio Rulli and Firewood Gotham. He asked them to step forward.

Mr. Arianto Quenta has worked for Emporio Rulli for over two years. He said that the Commission may remember him for being fired unfairly and for being involved in the union. Although the ruling was to put him back to work, it took management another three months before he had his job back. He was supposed to receive back pay, but it was not the full amount. It is clear that management is still fighting against the right to have a union. He works the night shift and often works after his shift ends and doesn't

get paid for it because they don't want him to get overtime. When he was first hired it took him a year to get his health insurance. He had to ask for it many times.

Ms. Francis Flores has worked for Emporio Rulli since July 2008. She did not receive health insurance for many months and spoke with many managers about it. She works the night shift and is the only employee at the kiosk. It's very hard to do all of the clean up and all of the customers by herself. At closing time she has to work 10-20 minutes after her shift to finish everything and Emporio Rulli doesn't pay for that time. Many supervisors know that we work late but they don't give us overtime for it. Everyone on the night shift has the same problem. Last year she joined the union and the company knows that she supports the union. Emporio Rulli is supposed to be neutral to the union but they are not. Last week she was suspended for two days without pay. She needed to have last Thursday off for an important appointment. She spoke with her manager two weeks before and was told that it would be okay and then her manager changed her mind. Other people who are not part of the union do not have a problem getting days off when they have appointments. Her manager pressures her to come to work when she is sick.

Ms. Betty Pak has worked at Emporio Rulli for four and a half years at forty hours a week. They treat employees in ways that violate the law. For example, she did not have health insurance her first two years, although she continued to ask her manager about it. When she called the main office they made her put her request for health insurance in writing. She knows at least one full time employee that still does not have health insurance. She also tends to work 30 minutes past her scheduled time so she can finish her work, but does not get paid for it. Her manager knew she was working overtime and does not pay her. When she calls in sick she does not get paid, even if she brings in a doctor's note. They don't care what happens to us. If she takes vacation she cannot use PTO days that she is supposed to get by law. The manager controls all of the tips. They are not allowed to count their tips. She does not know how much in tips she gets everyday. One time there were no tips in her paycheck for the whole week.

Mr. Jesse Johnson has worked in the Domestic Terminals for 20 seven years and is present to speak on behalf of employees in those Terminals. They would like the Commission to consider these employees in its decision to award leases in Terminal 2. He asked that San Francisco Soup Company not be granted a Terminal 2 lease. They had to launch a boycott for not paying meal breaks which nearly resulted in an Airport strike. On behalf of his fellow employees, he asked the Commission to only allow worker friendly companies into Terminal 2.

Kim Phan works for Firewood Grill. When she first began her job she was not allowed to take breaks if she was busy. They were told they could take a break later but when it was time to close they were hurried out. She had to ask for health insurance after she had been on the job six months and was told they ran out of applications and one would be given to her later. She didn't receive the application until weeks later. She was sick recently and asked to use her PTO time. She was told that she was just a normal employee and doesn't have PTO. Firewood avoids overtime by paying two paychecks so they don't get paid overtime.

Kelly Xu has worked for Firewood for two years; before that she at Firewood Grill. She never got holiday pay, vacation pay or sick days. She didn't take 10 minute breaks for two years because the manager didn't ask anyone to cover her. She hopes they get the PTO back and that they will be nice to employees.

Mr. Angel Gonzalez read a letter from an employee who was unable to be present. His name is William Hernandez and he works at Firewood. "I have worked at Firewood since of June 2008. I did not receive insurance for many months in violation of the City law. Neither did I receive any sick days or vacation days. They punish us when we call in sick. Every time that I have called in sick they would take a day and hours from me in the following week. When I was sick, I had kidney stones in October 2009, I had to be out for four days but I did not receive any payment for these days. Also, we didn't receive even one rest break for 20 minutes until we won the union."

Scott Zhao worked for Firewood for more than three years. Most of this time he did not receive 10 minute breaks, vacation, or sick days. They need to follow the law.

Mr. Kevin O'Connor said that it's pretty clear why we think these folks go to the length of being bad employers with various violations of the law, with people working off the clock, having to struggle to get the health insurance that is part of a City Ordinance. It is his understanding that they were audited some years before for non-compliance with the Minimum Compensation Ordinance, and years later it was discovered that no one in the three outlets in the International Terminal was getting the paid time off per the Minimum Compensation Ordinance and that, in fact, a sizeable number of the folks were being paid less than minimum wage. So, we have a series of employers that we find are outside the law ... Fung Lum, Emporio Rulli, Gotham and the Soup Company.

Mr. Mike Casey, Local 2, said that we have grievance procedures, we have the right to organize, and we have City Ordinances, unfortunately these employers have been ongoing violators, not just of our rights on the job when we have a union, but when we don't have a union. Several months ago we appealed to the Commission not to extend leases for these same employers because of the struggle that we engage in. We will be involved in negotiations with these employers this summer. To grant leases to these four employers will make those negotiation all the more difficult. We have violations of simple basic rights like a 10 minute break in an eight hour shift not provided. Rights that are guaranteed under Minimum Compensation and Healthcare Ordinances and other provisions that have been enacted by the voters of this City that aren't enforced. It is unimaginable to him that leases could be approved for these types of lawbreakers.

They are not here complaining about anti-union behavior, they are talking about anti-worker violations of the law. He asked the Commission to make a very solid and strong statement about this. It is incredibly difficult for these workers to get up and make their statements. We have 50 workers in the room today, 42 of which he counted from the Airport. He hoped it will be this Commission's policy that if any employer, any manager, any supervisor, any owner approaches one of our members about the fact that they came and exercised their right to speak out at this meeting today that there will be a very strong position that there should be no retaliation. In fact, as provided under the law, workers have the right to speak out and that the Commission will help enforce that law and make it clear to employers that they should not ever say a word to any worker, either in favor or in opposition to their right to speak at this Commission hearing. He

hoped that will be a policy the Commission will enforce in the coming months as they will probably have to return and appeal to the Commission again.

Commissioner Johns asked if these workers were present on their own time.

Mr. Casey responded that they are. This is not a work stoppage. They took time off of work and are present on their own time.

Mr. Todd Mouw, Director of Alternative Fuels for Roush Performance, said he was present to discuss the Airport's Clean Energy Policy for shuttle operators to start moving into alternative fuels. They are commercializing propane powered vehicles and met with the Airport staff last November. Airport staff advised then that in order for shuttle operators to purchase other than CNG powered vans they had to be at the same emissions level as CNG. He is present to report that they will be 2 of 2 in their vans which means they will be at the same emissions level that CNG vans will be. There are also other inherent benefits to our vans over these CNG vans. He is present to promote choice for the shuttle operators, not trying to push propane vans but give them a choice between CNG or propane. Our vans will have greater range and will have less weight added to them. Our vans weigh the same as a gas powered van which means that it will allow shuttle operators to carry the same number of passengers and not purchase additional vans to carry the same passenger load. There are double the number of fueling stations in the Bay Area compared to natural gas. We are not here to represent the propane fuel providers, we are here to promote the technology that we developed for these vans, but ultimately the fuel providers are willing to put in infrastructure at the operators places of business so they can fuel their own vans. There is a tax incentive with the Senate currently for 50 cents per gallon for every gallon of alternative fuel they dispense. That expired on December 31st, however, it looks as if the Senate will pass it again this year make it retroactive to January 1st. Ultimately that gives the shuttle providers another incentive to switch to alternative fuels.

Again this is a choice for these operators. We have been in business with Ford for thirty five plus years. Nearly every power trained Ford that has put out we have touched for one of two companies that Ford authorizes to calibrate the factory control module. These vans can get serviced at any Ford dealership because we release our calibration into the Ford dealership network. Ford has given us ship through on these vans so that it reduces the number and the cost of transportation as well as the ability to get these converted ... it typically takes two days to convert these from gas to propane.

Finally, the directive to shuttle operators is to begin phase-in by the end of May for the first 25% of their fleet. We will have carb certification prior to that and can support that initiative so we are not asking the Commission to move the 25% requirement from 2010 to 2011. We just want to provide the option for choice for the shuttle operators.

Mr. Ray Tate, Jr., AG&T, reminded the Commission that he appeared on January 12th without a petition to modify its Clean Energy Policy to modify vans so there could be competition. He received a response from staff indicating that they don't think it needs to be done. So, we are here one more time asking to give these folks a choice before we determine the other things that we need to do. The owners of some of these companies are in the audience in support of this. They are worried about being able to keep their employees on if they aren't going to have these vans. A lot of these people

are going to lose their jobs. Right now the staff is taking a firm stand that these vehicles have to be CNG. They need to alter that to say LNG or propane because both of these fuels qualify. So, we are asking you again to make the staff do the right thing and to do it right now. It's hard to get loans. The banks have basically shut down. You are still going to get those vans done but you will have competition so the cost for conversion can come down to be fair to the competitors ... the Ford dealerships and the conversion equipment manufacturers.

Commissioner Guggenheim asked what is costs to convert a vehicle to LNG or propane compared to natural gas.

Mr. Mouw said that right now, because there is only one supplier, it's \$17,000 to convert a vehicle to CNG or LNG, which is natural gas in a liquified form. Those costs will come down to less than \$10,000 when there is competition. We want their competition.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:52 AM.

Original Signed by Jean Caramatti

Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

**February 18, 2010
Special Meeting**

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

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Minutes of the Airport Commission Special Meeting of
February 18, 2010

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AIRPORT COMMISSION SPECIAL MEETING MINUTES
February 18, 2010

A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 9:00 AM in Room 416, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Linda S. Crayton, Vice President
	Hon. Caryl Ito
	Hon. Eleanor Johns
	Hon. Rich Guggenheim

* * *

J. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:30 AM and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The public session was reconvened at 9:26 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of January 26, 2010 were adopted unanimously.

No. 10-0027

* * *

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Ito and seconded by Commissioner Crayton. The vote to approve was unanimous.

1. Commendation - Ms. Joy C. Riddle

No. 10-0028

Commendation for Ms. Joy C. Riddle,
Assistant General Manager, New South
Parking, for her 33 years of service at SFO.

Mr. John Martin, Airport Director asked Ms. Joy Riddle to step to the podium. Joy has been a member of the Airport family for 33 years working first for Airport Parking Management and then more recently with New South Parking. Joy knows every aspect of the Airport's parking operation, having been trained as a bus driver, inventory lot clerk, cashier, valet attendant, accountant and in recent years she was promoted to Quality Control Assurance Manager and then Operations Manager, and finally Assistant General Manager. For years she has been the can do person with the airport parking operation. When he has a detailed technical question Joy is the person he always calls. She has a tremendous level of dedication and service and she did a great job in helping us open four new parking facilities in the last 10 years and installing a new parking and revenue control system. He congratulated Joy on her great career at SFO.

Ms. Joy Riddle said it has been a pleasure working at SFO. She grew up there and she watched the Airport grow. She has learned a lot and met a lot of challenges. It has been an honor to serve patrons that come to the parking facility. She thanked everyone.

The Commission congratulated Ms. Riddle on her retirement and thanked her for her service.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

2. Award of the Terminal 2 Food and Beverage Concession Leases

Resolutions awarding eight (8) food and beverage
leases under the Terminal 2 Concession Program.

No. 10-0029	<u>Concession</u> Gourmet Market & Wine Bar Lease	<u>Awardee</u> D-Lew Enterprises, LLC	<u>MAG</u> \$239,760.
No. 10-0030	Coffee & Bakery Facilities	Gotham Enterprise, LLC	\$58,896.
No. 10-0031	Cocktail Lounge	HBF Soto JV, LLC	\$94,800.
No. 10-0032	Sit-down Restaurant	D-Lew Enterprises, LLC	\$189,984.
	Quick Serve (4 leases)		
No. 10-0033	Space 3	Sankaku, Inc.	\$48. per sq. ft
No. 10-0034	Space 6	Andale Mgt. Group, Inc.	\$48. per sq. ft.
No. 10-0035	Space 7	BJ Annex, LLC	\$48. Per sq. ft.
No. 10-0036	Space 9	HBF Soto JV, LLC	\$48. per sq. ft.

Mr. Martin complemented Cheryl Nashir and her staff on the outstanding job they did. Sixty-nine packages were received for 15 leases for Food and Beverage and Retail. There was an extraordinary level of competition and many great proposals. The panel had to make tough decisions because there were many outstanding current operators in the Bay Area that submitted proposals. The odds were not great for any one firm to win. We received many great proposals.

Ms. Cheryl Nashir, Manager, Revenue Development and Management said that eight Request for Proposals were issued in October 2009 and 47 proposals were received on January 6th in response. A six member blue ribbon panel was seated to review, score and develop recommendations for award. It consisted of local business people and frequent travelers from the finance, hospitality, education, and food and beverage industries. There was also a representative from one of the Terminal 2 tenant airlines.

Airport staff reviewed the proposal packages to ensure that minimum qualifications were met. Five proposals were disqualified, four for not meeting the minimum qualifications and one for being submitted after the cutoff time on the proposal due date. The blue ribbon panel deliberated and scored the proposals based upon the published evaluation criteria. The eight lease awards being recommended today are Gourmet Market and Wine Bar Lease to D-Lew Enterprises for their Napa Farms Gourmet Market and Vino Volo concept. D-Lew is a locally-owned company and is an incumbent at SFO where it operates Perry's, Yankee Pier and two Il Fornaio's. Vino Volo is also a local company and operates wine bars in 10 airports.

D-Lew is also being recommended for the sit-down restaurant lease with it's Grill by Lark Creek concept.

HBF Soto JV, LLC is being recommended for the cocktail lounge lease with its Reflections concept. HBF Soto is a partnership between an Atlanta-based airport concessionaire and Soto and Sanchez Investments, a California company whose

principals operate Pacific Gateway Concessions, an incumbent tenant of ours.

Gotham Enterprises, doing business as Peet's Coffee and Tea, is recommended for the coffee, bakery facilities lease. They are also a San Francisco-based operator and a present tenant at SFO. Something new and exciting Peet's is bringing to Terminal 2 is organic and fair traded coffee, individual made to order drip coffees and onsite baking. This lease will have two locations in Terminal 2.

We have four quick serve leases recommended for award and they are: Andale Mexican Food, a local tenant and an incumbent at SFO; Burger Joint, also a San Francisco-based firm and an incumbent at SFO; Wokaba Sushi and Noodle, a local tenant and an incumbent which presently operates two Sankaku's at SFO; and finally a co-branded concept, The Plant, Café Organic and Pinkberry. The Plant is a local concept located on the Embarcadero; Pinkberry is a fast growing LA based frozen yogurt concept. These concepts will be operated by HBF Soto.

Among these eight leases, two are operated by airport concession disadvantaged business enterprises and six are operated by local businesses. Staff is very pleased with this mix of successful concepts. She sat through the Blue Ribbon Panel deliberations and can report that they were enthusiastic about their mission and worked very hard.

The lease term is twelve years, except for the restaurant and the Gourmet Market Wine Bar which is twelve years with one, two-year option. Rent for all leases is the greater of a minimum annual guarantee of \$48.00 per sq. foot or percentage rent.

During the first full year of operation, sales from the Terminal 2 food and beverage tenants is forecast to be \$21.2 million, with revenue to the Airport forecast at \$2 million.

Two protests were received as a result of the evaluation process. One protest is from Gary Rulli, owner of Emporio Rulli at SFO, and the proposer of Dolce Solato for both the coffee, bakery and quick serve leases. Mr. Rulli asserts that Dolce Solato is a concept superior to those chosen by the Panel. He is also concerned that his difficulties with the union were reflected in a negative way in the Blue Ribbon Panel's decision. We have consulted with the City Attorney's Office and will deny this protest for being groundless. While Dolce Solato was a very decent proposal the Panel was very clear and deliberate in their preference for other concepts. Additionally, the Blue Ribbon Panel scores were based on the published evaluation criteria which included concept design, business plan, customer service and quality control, and did not include labor relations.

The second protest is from SFBVC II, LLC who tendered proposals for the cocktail lounge and the sit-down restaurant. Their concepts were Bar 9.5 mph and the Turntable Café. They are questioning the scores and are alleging a bias by a certain panelist against their brand. Again the scores were quite deliberate and are personal to each individual panelist perception of and reaction to the proposals. Bar 9.5 mph and the Turntable Café had formidable competition and in concert with the City Attorney's Office we will deny this protest as well.

Commissioner Ito complemented Ms. Nashir, her team and the Director for the efforts made here. She understands that people have raised questions as to why their particular proposal wasn't accepted. She realizes that there was a lot of competition for a few releases and she wanted to thank those who made the effort. It really speaks to the opportunity at our Airport that we had so much interest and that people know it is a good investment and a good effort to try to do business at SFO. She is sorry that not everyone could be a winner.

She emphasized that the panelists that were procured for the evaluations met a range of diversity, men and women, and also were solid with their experience, both with airports and in business and finance. She made clear that these are 12 year leases, which are longer than what we issued in the International Terminal. Over the course of several meetings we were made aware of some concerns from the unions and from workers at the Airport. The Commission holds in high regard the agreements and the conditions in those leases for the new tenants to provide what the City requires in terms of minimum wage and health insurance compensation. The Commission takes this very seriously. She hopes that if approved these new lessors will understand our seriousness and that we will continue to support fair leases that require people to uphold what the City expects of them.

Mr. Dennis Berkowitz thanked the Commission for voting for him the last time when he was approved for Max's in Terminal One. He has done very well and appreciates it. He wanted John to know that he is not bitter, just disappointed like Peyton Manning. After all, this was the Super Bowl.

He has been in business since 1978 at Max's and Max's Opera Café and he has a very nice home in Hillsborough. He calls it the home that was built on corned beef and pastrami. Corned beef and pastrami has nitrates in it that makes it pink so it is not exactly slow food. He wasn't sure what slow food was but assumed that it was the opposite of fast food. So, where does he fall? He thinks he is in the middle so he calls his food speedy food. He wondered how he's going to make slow food and thought maybe in his garden. He thought he would get Bubba Paris to be his partner and call it Bubba Max's. He was concerned about the organic part of this and wondered if there will be organic police who will go around and make sure that everything is organic and they use Neiman Farms beef and everything is organic. He said that he would check to see if there are any trans fats in the woodpile but he wouldn't know who to tell. He assumed that if he told John Martin that someone wasn't using organic that Mr. Martin would bring the hammer down on them.

He knows that while his presentation wasn't very good, he did not hire an architect, a public relations firm or someone to write it for him ... he did it himself. The fact that he did \$5.2 million in 900 sq. ft., or a staggering \$5,777.83 per sq. ft., and paid close to \$600,000 in rent ... more than all four of these concessions probably will pay ... and that might have been enough to get him the award, but obviously it wasn't. He left the Commission with an old Jewish expression that "liars figure, but figures don't lie", and the watch word of his faith "keep on eating at Max's."

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

3. Award of the Terminal 2 Retail Concession Leases

Resolution awarding seven (7) retail leases under the Terminal 2 Concession Program.

	<u>Concession</u>	<u>Awardee</u>	<u>MAG</u>
No. 10-0037	Book Store	Compass Books, Inc.	\$200,000.
No. 10-0038	Electronics and Technology Products	Edge 1 Cellular, L.P.	\$338,980.
No. 10-0039	Museum	Avila Retail Development & Management, LLC	\$100,000.
No. 10-0040	Regional Gifts	Avila Retail Development & Management, LLC	\$115,000.
No. 10-0041	Spa	XpresSpa SF Intn'l, LLC	\$250,000.
No. 10-0042	Specialty Store	Charles Chocolates, Inc.	\$145,000.
No. 10-0043	Travel & Accessories	RDG Concessions, LLC	\$132,789.

Ms. Nashir said that Requests for Proposals were issued in October, 2009 and 22 proposals were received on January 6, 2009. A five member Blue Ribbon Panel was seated to review, score and develop recommendations for award. Like the Food and Beverage Panel, it consisted of local business people and frequent travelers, as well as a representative from one of the tenant airlines in Terminal 2.

Airport staff reviewed the proposal packages to insure minimum qualifications were met and all proposals met the minimum qualifications. The Blue Ribbon Panel deliberated and scored the proposals based on the published evaluation criteria. The recommendation is to award seven of the eight retail leases. The Panel, with staff's concurrence, is recommending that the newsstand coffee specialty stores lease RFP be re-issued in order to improve the specialty retail offering in that package. That is Item No. 4 on the calendar.

Among the seven leases before the Commission are the Bookstore Lease to Compass Books, a local operator and a present tenant in Terminal 3; for the electronics store lease I-Tech X-perience a Texas-based business which operates 17 locations at 11 airports. This lease is for two locations ... one in Terminal 2 and one in Terminal 3; travel store lease to RDG Concessions doing business as Pacific Outfitters, a local and incumbent tenant ; the regional gift store lease to Avila Management, an Albuquerque, New Mexico-based business with agreetings from San Francisco concept. They have 19 stores in Denver, Albuquerque, and Phoenix airports. Avila is also recommended for the museum store lease with a concept of Mosaic; Xpress Spa, an incumbent tenant, is being recommended for the Spa lease. They were the only proposer for the spa lease. They operate 35 stores in airports around the world. This lease is for two locations as well ... one in Terminal 2 and one in Terminal 3. Finally, Charles Chocolates, a San Francisco-based

business new to the airport environment, is being recommended for the specialty retail lease. Among these seven leases three are operated by Airport concession disadvantaged business enterprises, and, coincidentally, three are operated by Bay Area businesses.

Again, a Blue Ribbon Panel worked hard and was very excited to be contributing to Terminal 2. The lease term is for seven years, with the exception of the bookstore which is for ten years. Rent is the greater of a minimum annual guarantee or percentage. During the first full year of operation of Terminal 2 sales from retail tenants are forecast to be \$14 million with revenue to the Airport forecast at \$1.8 million. No protests were filed.

Commissioner Crayton asked what is meant by "certified airport concession disadvantaged business."

Ms. Nashir replied that it is a Federal designation. We have Federal goals for ACDBE participation so these are tenants that have been certified as ACDBE, disadvantaged business enterprises. There is a definition that goes along with it. There is a size standard as far as gross sales and there are some ethnicity pieces to it as well.

Commissioner Ito asked if the tenant recommended to receive the museum lease will establish relationships with our local museums.

Ms. Nashir responded that we visited a Mosaic store at Denver International Airport. It's a very lovely store and they had clearly hand chosen merchandise by small artisans. They will contact local museums and try to merchandise on their behalf. They will have hand picked arts and crafts as well as, we hope, fixtures that house SF MOMA or DeYoung merchandise, for instance. They have committed to that and we have let them know that it's very important to us.

Mr. John Avila thanked the Commission for hearing their proposals and considering them. He thanked the selection committee, who did a great job, and Airport staff who were really more than professional and welcoming when they arrived here.

They are a 100% DBE-owned enterprise. They operate a shelf at 19 stores in three airports and have been in the airport business since 1990. They only operate in airports. They support 147 employees in three states and they support about 300 crafts people throughout the United States, some of them in total and some of them partially. Many artisans are looking to them for marketing because they have a lot of traffic in airports and they get their products well known throughout the country. They have several San Francisco area artisans that they represent in their stores and their plan is to increase that. They have open vendor days and will entertain having open vendor days in San Francisco in order to increase the number of local artisans. They are masterful at creating a local regional concept. This is one of the riskiest businesses in the airport industry. People buy newspapers and food at airports. People enter their stores because they provide entertaining concepts with bright colors on the walls and well displayed merchandise.

They provide insurance, vacation, sick pay and 401k plans for their employees as

well as a living wage.

Mr. Robert Freeman did not wish to speak.

Mr. Jack Jarrell also did not wish to speak.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Reject All Proposals for the Terminal 2 Newsstands, Coffee, and Specialty Stores

No. 10-0044

Resolution 1) rejecting all proposals received for the Terminal 2 Newsstands, Coffee, and Specialty Stores, and 2) approving proposed minimum qualifications and lease specifications, and authorizing staff to commence a new Request for Proposal process for the same.

Ms. Nashir said that among the 22 proposals received on January 6th for the Terminal 2 retail were four proposals in response to the newsstand, coffee and specialty stores lease. This lease consists of five locations in Terminal 2 ... a pre-security coffee location and four post-security retail locations. The locations were packaged that way because the viability of two of the locations as stand alone businesses was questionable. Those were the pre-security coffee location and a small wall unit newsstand post-security. The large firms which were expected to propose on this package have stables of retail concepts available for the two specialty store retail locations and we knew that specialty was going to be our most challenging to lease. The two specialty locations in this package are closest to the checkpoint and on the left side, across traffic from the flow out to the gates, which was another reason to put them in this larger package. The four proposals received were responsive and solid but the specialty lease store pairings were disappointing. While one of the two specialty store concepts might have been fresh, new and exciting, the other may have been very unexciting or worse still, two of the proposals featured specialty retail concepts that are well worn and present in many airports across the country. The Blue Ribbon Panel reviewed but did not score these proposals. It is the Blue Ribbon Panel and staff's recommendation that we reissue the newsstand coffee specialty stores lease. In the re-issuance we will make clear to the proposers that they may, but are not required to propose a menu of up to six different specialty concepts for the two specialty locations. An additional benefit of re-issuing this RFP is that the remainder of the retail program will be awarded and proposers will be better informed of any missing merchandise categories. Our expectation is that we are going to wind up with a more enticing specialty retail offering the second time around. The proposed business terms are unchanged from the previous RFP. The recommended term is 10 years and rent is the greater of a minimum annual guarantee or percentage. The minimum annual guarantee cannot be less than \$800,000 for the first year. While this lease will be awarded nearly two months later than all of the others we feel that we can move through design efficiently and catch up so that we have this tenant starting

construction with all of the other Terminal 2 concession tenants. The newsstand coffee and specialty store proposers have been notified of this recommendation to reject all proposals and there has been no opposition to this course of action.

Commissioner Crayton asked if these four are currently operating at the Airport.

Ms. Nashir responded that they are.

Commissioner Crayton asked how they are doing.

Ms. Nashir responded that they are doing fine ... they are all big companies.

Mr. Martin said that the proposals just aren't the new and exciting concepts we are looking for.

Ms. Nashir said that we were a little disappointed.

Commissioner Crayton asked who explained the concept to them.

Ms. Nashir responded that she led the pre-proposal meetings and her staff had a lot of interaction as well with all of the perspective proposers. It was just a guess for them to decide what concepts among the eight to 10 that they had should be chosen for San Francisco. Some chose well and others not so well. However, no one chose well for both locations.

Mr. Martin said that in the new proposal we will allow firms to list a range of alternatives from which we can choose. We learned from this process that we need more flexibility.

Item No. 5 was moved by Commissioner Guggenheimer and seconded by Commissioner Mazzola. The vote to approve was unanimous.

5. Approve Fiscal Year 2010/11 and Fiscal Year 2011/12 Operating Budgets

No. 10-0045	Resolution approving \$742.6 million operating budget for Fiscal Year 2010/11 and \$780.2 million for Fiscal Year 2011/12.
-------------	--

Mr. Leo Fermin, Deputy Director, Business and Finance explained that for the first time all of the City's enterprise departments are submitting two year budgets. The second years' budget is more for planning purposes and we will have the opportunity next year to make adjustments to the second year. For FY 2010/11 our total budget request of \$742.6 million is an increase of \$51.7 million or 7.5% from the current years' budget of \$690.9 million.

Next years' budget includes operating costs for Terminal 2 which accounts for \$29.1 million of the increase. We are adding 72 new positions and substituting 13 positions for the opening of Terminal 2. Of the 72 new positions, 70 are for custodians and food court cleaners. Terminal 2 also requires us to budget for

additional costs such as curbside management services, equipment maintenance for baggage handling systems, passenger loading bridges, and escalator and elevator repairs. Another driver of the budget increase is debt service. Debt service is increasing for two reasons 1) the new money bonds, about \$480 million which we sold last fall most of which was for Terminal 2; and 2) the previously scheduled incremental ramp up of the Master Plan Bonds that we sold over ten years ago.

Although the budget is increasing by 7.5% the cost per enplaned passenger to the airlines will increase by 5.7% to \$15.63. We will submit this budget next week to the Mayor's Office and the Controller's Office, and our budget hearings at the Board of Supervisors is tentatively scheduled for May 19th and May 26th. .

Commissioner Johns asked if that is that a permanent thing isn't that a great amount in terms of the overall budget...but I was.....

Mr. Martin responded there will be a SWAT team assigned full time to the Airport. We discussed this with the new Chief and feel that we will benefit tremendously from this. The SWAT team will be assigned regular patrol duties as a part of their job so they won't be in SWAT training 100% of the time. With the additional square footage from the opening of Terminal 2, having SWAT team members at the Airport will relieve the need for officers in general. SWAT team members have more situations in the City that they actually respond to than at the Airport so we want teams rotating through so that they get training.

Mr. Tryg McCoy, Deputy Director, Operations and Security said that SWAT is a seven member team ... one sergeant and six officers.

Commissioner Ito said that the City should be pleased that our annual service payment is going to increase 15%. She thought that the highest amount contributed to date was \$28 million some years back. In 2010/2011 we should be close to that number.

Mr. Fermin responded that we are getting close to it. The highest level is around almost \$28...\$27.5 million or so.

Item No. 6 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

6. Approve Five-Year and Ten-Year Capital and Facilities Maintenance Plans for Fiscal Year 2010/11 to Fiscal Year 2019/20

No. 10-0046

Resolution approving revisions to the Airport's \$776.2 Million Five-Year Capital Plan and Ten-Year Capital and Facilities Maintenance Plans for FY 2011/12 to FY 2019/20 and Capital Plan annual appropriations of \$68.9 million for FY 2010/11 and \$88.4 million for FY 2011/12.

Mr. Fermin said that we maintain a rolling 5-year Capital Projects Plan which we

update annually and is reviewed with the airlines annually. The Capital Plan for the next five years totals \$776.2 million. In comparison, last years' 5 year plan totaled \$919.3 million. The major reason for this decrease is the completion of Terminal 2 next year. The significant new projects being added to the plan are the renovation of Boarding Area E in Terminal 3 which accounts for \$22.5 million; baggage handling systems and passenger loading bridge upgrades, \$19 million; and common use system improvements in the International Terminal for \$13.6 million. Besides the 5 Year Capital Plan, the City requires us to submit a 10 Year Capital and Facilities Maintenance Plan. This years' version totals a little over \$1 billion compared to last years' which was \$1.5 billion. Again, the completion of Terminal 2 and other projects next year account for this reduction. The attached resolution before you also approves an appropriation request for funding for the next two years from grants, interest income and PFCs.

Item No. 7 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

7. Approve Amendment No. 8 to DFS Group, L.P.'s Post-Security Master Retail/Duty Free Stores Lease No. 99-0035

No. 10-0047

Resolution approving Amendment No. 8 to DFS Group L.P.'s Post-Security Master Retail Duty Free Stores Lease 99-0035, which 1) exercises the two one-year options under the lease for an option term thru December 19, 2017; 2) amends the reference data for the annual adjustment to the first year of the lease; and 3) requires DFS Group, L.P., to invest \$2.4 million in facility renovations during the first year of the option term; and directs the Commission Secretary to seek Board of Supervisors' approval for the same.

Mr. Fermin said that the DFS lease ends this coming December 2010. After the September 11th terrorist attack the Concession Support Program was created and gave DFS and our other concession tenants a five year option on their leases. DFS has exercised its five year option at the current minimum annual guarantee of \$26.4 million and DFS has also offered to invest \$2.4 million to refurbish its stores. To allow for a longer amortization of their investment from five years to seven years we are now requesting that the Commission exercise its remaining two, one-year options thus extending the lease to December 2017. This will keep the MAG in place until then. Amendment No. 8 also changes the base year for the annual CPI rent adjustment from 1999 to 2010. Since the specific index used in this lease has actually dropped, this change means that the index has a much longer way to rise upwards before there is any increase to the MAG. Overall, considering the dollar amount of the MAG and the length of time that we have it the outlook for this index to rise and the investment which DFS is willing to make in refurbishing the stores, which is not required under the lease, we believe that this is a very fair request.

Item No.8 was moved by Commissioner Guggenhime and seconded by Commissioner Crayton. The vote to approve was unanimous.

8. Approval of Reimbursement to American Airlines for the Interim Relocation Costs from Terminal 3 to Terminal 2 in an Amount Not-to-Exceed \$4,800,000

No. 10-0048

Resolution approving reimbursement to be taken in the form of a rental credit to American Airlines for the costs related to their interim relocation in an amount not-to-exceed \$4,800,000.

Mr. Fermin said that this item is part of a larger plan to vacate airlines out of Boarding Area B for its demolition and refurbishment, and for the longer term renovation of Terminal 1 as well as to situate the Star Alliance Partners in Terminal 3, and the One World Alliance Airlines in Terminal 1 and the adjacent International Terminal Boarding Area A. American's move to Terminal 2 will free up Boarding Area E in Terminal 3. Once E is renovated then Continental and US Air will move out of Boarding Area B to the former American Airlines area in Boarding Area E. Previously, Air Canada moved from Boarding Area B to Boarding Area E as part of this plan. That leaves Southwest and Alaska in Boarding Area B. We already have an agreement with Alaska for their move out of Boarding Area B when we demolish the western wing of B leaving Southwest in their current four gates in B with the ability to expand into USAir's vacated gates in Boarding Area B. Alaska will then move to the I.T. after Virgin America moves to Terminal 2 helping to keep the International Terminal Boarding Area A utilized with Virgin America's move. Eventually, when the longer term renovation of Terminal 1 is done, American will move to its permanent home in Terminal 1 adjacent to its One World Alliance partners who are all in the I.T. Boarding Area A.

Item No. 9 was moved by Commissioner Guggenhime and seconded by Commissioner Crayton. The vote to approve was unanimous.

9. Award Trade Bid Package Set No. 6 to Contract 8757A - Design Build Services for Terminal 2/Boarding Area D Renovations - Turner Construction Co. - \$30,801,633

No. 10-0049

Resolution awarding Trade Bid Package Set No. 6, for various scopes of work, to Contract 8757A, Design-Build Services for Terminal 2/Boarding Area D Renovations with Turner Construction Company, in the amount of \$30,801,633.

Mr. Ivar Satero, Deputy Director, Design and Construction said that this item requests award of this trade bid package set No. 6 to Turner Construction. It will result in a total new contract amount of \$292,820,012. This modification provides primarily for the architectural treatments to the building, including the terrazzo flooring, the ceilings and lighting systems and it also provides for airside civil work which is the apron and taxiway improvements and the active systems. The active systems are the design build delivery of the local area network and the local area

network drives all of the displays, the flight information, gate information displays, baggage information displays, as well as the airline passenger processing systems, the airline operational database which contains all of the airline flight information and the Airport WiFi system. As required by the Administrative Code these trade bid packages were competitively bid to a minimum of three pre-qualified bidders, where possible. The one exception to that is the window washing equipment where there were only two proposers that met the pre-qualification and we only received the one bid from Tractel. We reviewed the low bids and determined the bidders are responsive and that the bids appropriately reflect the agreed upon scope of work.

The proposed award for this set of trade bid packages is within the overall budget for this work and is approximately \$730,000 under the engineer's estimate. With these bids we are forecasting a cost at completion of the project of \$380.8 million, just under the \$383 million budget. There remains approximately \$28 million left to bid in the project which indicates that 90% of the project has been bid out with 10% remaining. We continue to maintain the appropriate cost contingencies to cover the risks of the project. To date, through this modification Turner is achieving 21% LBE subcontractor participation against their HRC goal of 15%. In terms of the San Francisco based firm participation, they continue to achieve over 40% and we are anticipating that they will meet or exceed both of these goals through the remainder of the contract.

Commissioner Ito understood that there was some unexpected damage on the roadway and asked if that was included in this work.

Mr. Satero responded that it is not. The roadway strengthening work will be presented in the next package which will probably be at the first meeting in April.

Item No. 10 was moved by Commissioner Crayton and seconded by Commissioner Johns. The vote to approve was unanimous.

10. Modification No. 1 to Contract 8873A - 575 N. McDonnell Road Office Modernization (SFO Business Center) - BCCI Construction Co. - \$1,000,000

No. 10-0050	Resolution approving Modification No. 1 to Contract 8873A with BCCI Construction Company, 575 N. McDonnell Road Office Modernization, in an amount not-to-exceed \$1,000,000 for purchase and installation of LED office lighting, design and construction of Airport Commission employee parking lot lighting and parking lot access controls, and installation of a new roof, for a new contract total amount not-to-exceed \$8,408,311.
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Mr. Satero said that this award of the Modification No. 1 will result in a new contract amount of \$8,480,331. This modification provides for several Type II change orders which is scope that was not part of the original contract. Given the favorable bids received on the project and the resulting budget surplus we are recommending that

the facility be further improved by incorporating an LED lighting program in the offices, additional parking security measures, additional office furniture and teleconferencing equipment that is beyond the allowance amount and a new roof. In particular the LED lighting program is a very efficient product. It consumes about 30% of what your typical fluorescent lighting does and it achieves a pay back period of about 3 years, so it's a nice energy savings program for us. Regarding the new roof recommendation, we originally intended to do a patch work on the roof and keep it functioning for some time but as weather deteriorated and we were chasing leaks we found more leaks. Upon further investigation the condition of the roof is not salvageable and it is close to its 20 year life span. Before we occupy the building, and before completing all of the improvements we think it is appropriate to re-roof the building, again using the under run from the original bid. With this building we will achieve LEED gold certification and these both help the energy consumption of the building. Substantial completion will occur in the July timeframe and within that substantial completion all of the Airport offices will be relocated out of Terminal 2. To date, BCCI is achieving 23% LBE participation against the goal of 18% and they are committed to achieving 23% for the remainder of the contract.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item No. 13 was removed from the Consent Calendar without discussion. Item Nos. 11 and 12 and 14 through 19 were moved by Commissioner Crayton and seconded by Commissioner Johns. The vote to approve was unanimous.

11. Award Contract 8815 - 700 MHz P25 Digital Trunked Radio System - Motorola - \$2,300,000

No. 10-0051	Resolution awarding Contract 8815 700 MHz P25 Digital Trunked Radio System to Motorola on a Sole Source basis in an amount not-to-exceed \$2,300,000.
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12. Award a Professional Services Agreement to Swaim Biological Inc. for the West of Bayshore San Francisco Garter Snake Recovery Action Plan Biological Monitoring Services - Contract amount not-to-exceed \$600,000

No. 10-0052	Resolution awarding professional services agreement to Swaim Biological, Inc., for three years, with three, one-year options to extend to provide biological monitoring services in support of the West of Bayshore San Francisco Garter Snake Recovery Action Plan in an amount not-to-exceed \$600,000.
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Item No. 13 was removed from the calendar without discussion.

13. Award a Professional Services Agreement to HNTB Corporation - Airport Planning

and Management Services - \$400,000

Resolution awarding a professional services contract with HNTB Corporation for Airport Planning and Management Services over a four-year contract term in an amount not-to-exceed \$400,000.

14. Authorization to Issue a Request for Proposals for a Taxicab Revenue System

No. 10-0053 Resolution authorizing issuance of a Request for Proposals (RFP) for a qualified contractor to assume maintenance of the existing Taxicab Revenue System and design, install, test, and maintain a second-generation Taxicab Revenue System.

15. Award Contract 8206A - Airport Facilities Fall Protection System - Pilot Construction Management Inc. - \$362,600

No. 10-0054 Resolution awarding Contract No. 8206A for the Facilities Fall Protection System to the lowest responsive, responsible bidder, Pilot Construction Management, Inc., in the amount of \$362,600.

16. Award of the Pay Internet Kiosks Lease - Pelican Communications, Inc.

No. 10-0055 Resolution awarding the Pay Internet Kiosks Lease to Pelican Communications, Inc., for a minimum annual guarantee of \$30,000 for the first lease year.

17. Bid Call - Contract 8823 - Domestic Terminal Garage Concrete Deck Resurfacing

No. 10-0056 Resolution approving the scope, budget, and schedule for Contract No. 8823, Domestic Terminal Garage Concrete Deck Resurfacing, and authorizing the Director to call for bids when ready.

18. Modification No. 2 to SamTrans Contract for Route 397 Owl Bus Service - \$170,000

No. 10-0057 Resolution exercising the second of four one-year options to renew a contract with SamTrans to help defray the unrecovered costs of operating the Route 397 Owl Bus Service. The annual cost is not-to-exceed \$170,000 for the FY July 1, 2010 to June 30, 2011 for a total contract amount of \$565,000.

19. Approve Reimbursement to D-Lew Enterprises, LLC - \$9,177

No. 10-0058

Resolution approving a reimbursement to D-Lew Enterprises, LLC, in the amount of \$9,177.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Doug Cameron addressed the Commission on its Clean Vehicle Program. The Commission's decision to nominate natural gas as the cleanest fuel historically and what you have in front of you (see attachment) are some notes that indicate that it is the cleanest fuel certainly for the next 30 or 40 years. Historically, fuels were measured by criteria pollutants and that is why the natural gas vehicles achieve the super low emission vehicle standards that they have. Then there was a great emphasis on foreign oil reduction and most recently on low carbon fuels. California has adopted a low carbon fuel standard and that is a standard placed on fuel providers that they have to meet going forward. Natural gas already achieves a 30% green house gas emission reduction with pipeline natural gas and it has been determined by the State that it is a low carbon fuel standard in its pipeline form. A few other fuels have been qualified as well ... electricity, hydrogen, hydrogen blends and biomethane which is renewable natural gas.

So going forward to 2050 the State has said that it will require an 80% reduction in carbon footprint. The graph before the Commission demonstrates that natural gas achieves that low carbon fuel standard without any technology change going forward for the next 30 or 40 years and at a very competitive cost. It meets the standard today and will continue to meet the standard going forward. Most of the other fuels out there won't meet that standard because they use more fuel to produce the actual amount than they actually produce at the end of that cycle.

* * *

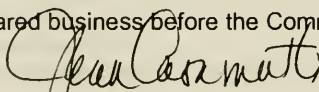
I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:26 AM.


Jean Caramatti
Commission Secretary

California's Low Carbon Fuel Standard

- Redefining the value of alternative fuels and renewable fuels
 - Natural gas historically focused on air quality benefits
 - Newer emphasis on petroleum reduction
 - Reducing greenhouse gas (GHG) emissions
- Fuels assessed on Well-to-Wheels in terms of GHG emissions
- Renewable fuels
 - A LCFS will create an opportunity to monetize Low Carbon Fuels in the transportation fuels market
 - 10 States have already adopted California's LCFS
- California goals
 - 10% reduction in GHGs by 2020
 - 80% reduction in GHGs by 2050

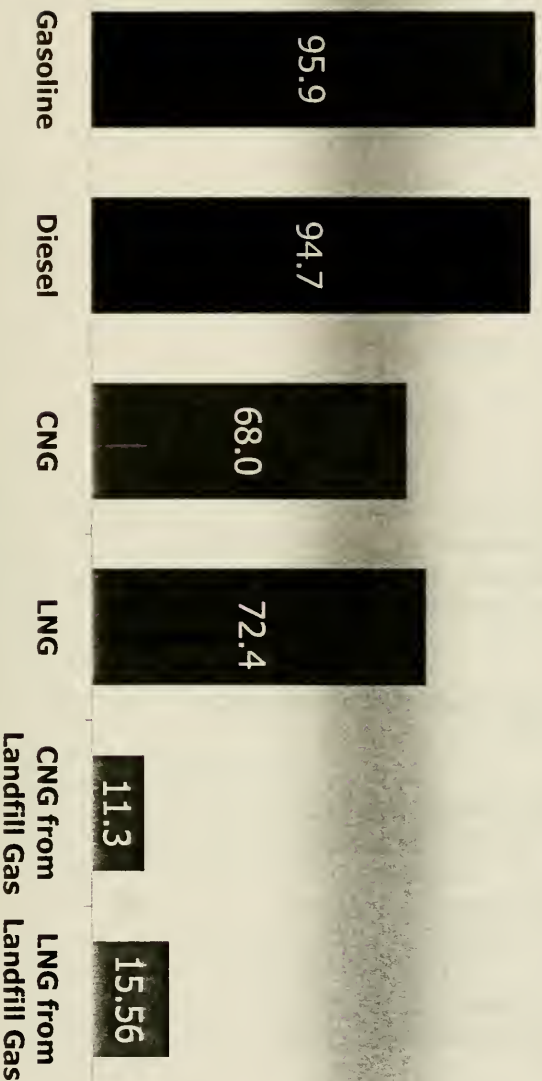


Why Natural Gas Will Lead the LCFS

- Natural gas achieves up to a 30% GHG reduction compared to gasoline or diesel
- CARB has recently listed the following as compliant fuels under the LCFS through 2020:
 - Electric
 - Hydrogen, hydrogen blend
 - Fossil natural gas from North American sources
 - Biomethane
- Why is ethanol or biodiesel not a part of the compliant fuel list?
- Answer: It takes 50+ years before an ethanol or biodiesel crop can produce day one of GHG benefits.
- Climate crisis calls for immediate CO₂e reductions.
- Message: Ag-based biofuels cannot deliver and cellulosic science is too immature to date.

Natural Gas Vehicles Reduce GHG Emissions

WTW Greenhouse Gas Emissions* (in grams CO₂eq/MJ)



*CARB WTW Low Carbon Fuel Standard

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

March 2, 2010

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

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Minutes of the Airport Commission Meeting of
March 2, 2010

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Special meeting of February 18, 2010	10-0059	3
D.		SPECIAL ITEMS:		
	1.	Retirement Resolution - Richard Griek	10-0060	3
	2.	Retirement Resolution - David Thompson	10-0061	3-4
	3.	Retirement Resolution - Gilbert LeCompte	10-0062	4
E.		ITEMS INITIATED BY COMMISSIONERS:		4
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	4.	Award Contract 8832R - Central Garage Vehicle Entry Canopy - LC General Engineering and Construction	10-0063	4
	5.	Amendment No. 1 to Domestic Terminal Food & Beverage Lease No. 03-1080 - Sankaku, Inc.	10-0064	4-5
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	6.	Award Professional Services Agreement - HNTB Corporation - Airport Planning & Mgt. Services	10-0065	5
	7.	Authorization to Issue a Request for Proposals for Federal Legislative Advocacy Services	10-0066	5
	8.	Bid Call - Contract 8567 - Power Distribution System Protective Device Coordination Study	10-0067	5
	9.	Bid Call - Contract 8929 - On-Call Environmental Remediation Services, Phase VI	10-0068	5
H.		NEW BUSINESS:		6
I.		CORRESPONDENCE:		6
J.		CLOSED SESSION:		
		Potential Litigation		6
K.		ADJOURNMENT:		6

AIRPORT COMMISSION MEETING MINUTES

March 2, 2010

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenheimer

* * *

C. ADOPTION OF MINUTES:

The minutes of the special meeting of February 18, 2010 were adopted unanimously.

No. 10-0059

* * *

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

1. Retirement Resolution - Richard Griek

No. 10-0060 Resolution thanking Richard Griek, Landscaping Section under the Maintenance Branch of Facilities, for 26 years of faithful service with the City and County of San Francisco, all at San Francisco International Airport, and to offer best wishes for a long and fruitful retirement.

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Retirement Resolution - David Thompson

No. 10-0061 Resolution thanking David Thompson for almost

30 years of faithful service, twenty of which were spent at San Francisco International Airport in the Mel Leong Treatment Plant, and to offer best wishes for a long and fruitful retirement.

Item No. 3 was moved by Commissioner Ito and seconded by Commissioner Crayton. The vote to approve was unanimous.

3. Retirement Resolution - Gilbert LeCompte

No. 10-0062

Resolution thanking Gilbert LeCompte for ten years of faithful service and to offer best wishes for a long and fruitful retirement.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Award of Contract No. 8832R - Central Garage Vehicle Entry Canopy - LC General Engineering and Construction - \$1,068,155

No. 10-0063

Resolution awarding Contract 8832R, Central Garage Vehicle Entry Canopy, to the lowest responsive, responsible bidder, LC General Engineering and Construction, in the amount of \$1,068,155.

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

5. Amendment No. 1 to Domestic Terminal Food and Beverage Lease No. 03-1080 with Sankaku, Inc.

No. 10-0064

Resolution approving Amendment No. 1 to Domestic Terminal Food and Beverage Lease No. 03-0180 with Sankaku, Inc., which 1) decreases the lease premises to approximately 705 square feet, 2) reduces the MAG to \$33,459.30 for the current lease year, 3) approves using an initial

MAG of \$28,200 when calculating future annual MAG adjustments, and 4) approves reimbursement to Sankaku, Inc., thru a rent credit, in an amount not- to- exceed \$237,800 for the unamortized cost of the build-out for its Terminal 1 location.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 6 through 9, was moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

6. Award a Professional Services Agreement to HNTB Corporation - Airport Planning and Management Services - \$400,000

No. 10-0065 Resolution awarding a professional services contract with HNTB Corp. for Airport Planning and Management Services over a four-year (4) contract term in an amount not-to-exceed \$400,000.

7. Authorization to Issue a Request for Proposals for Federal Legislative Advocacy Services

No. 10-0066 Resolution authorizing issuance of a Request for Proposals for Federal Legislative Advocacy Services for Contract 8995 and authorization for staff to negotiate with the highest ranked proposer.

8. Bid Call - Contract 8567 - Power Distribution System Protective Device Coordination Study

No. 10-0067 Resolution approving the scope, budget, and schedule for Contract No. 8567, Power Distribution System Protective Device Coordination Study, and authorizing the Director to call for bids when ready.

9. Bid Call - Contract 8929 - On-Call Environmental Remediation Services, Phase VI

No. 10-0068 Resolution approving a bid call for Contract 8929, On-Call Environmental Remediation Services, Phase VI, providing for the capability to respond to emergency or unanticipated environmental remediation, hazardous building materials characterization and abatement, emergency spill clean-up and miscellaneous unanticipated environmental tasks.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. William Zobel, Sr. Vice President, Trillium spoke to the Commission regarding CNG.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission

* * *

J. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:20 AM and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation

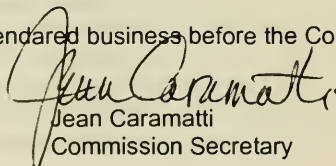
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:29 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:30 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

March 16, 2010

9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

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Minutes of the Airport Commission Meeting of
March 16, 2010

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		5
B.		ROLL CALL:		5
C.		ADOPTION OF MINUTES:		
		Regular meeting of March 2, 2010	10-0069	5
D.		SPECIAL ITEM:		
	1.	Retirement Resolution- Dennis Roberts	10-0070	5
	2.	Retirement Resolution - Connie Fung	10-0071	
	3.	Retirement Resolution - Vicente Zipagan	10-0072	
	4.	2009 William R. O'Brien Employee of the Year Award - Charlie Freas	10-0073	
	5.	2009 Team Recognition Service Award - Stimulus Funding/American Recovery Reinvestment Act (ARRA) Project Team	10-0074	
E.		ITEMS INITIATE BY COMMISSIONERS:		
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	6.	Approve New Lease & Use Agreements Effective July 1, 2011	10-0075 thru 10-0099	
	7.	Approve Airline Lease Modifications Effective July 1, 2010 Concurrent with Airport Approval of Airline Commitments to the 2011 Lease and Use Agreements with Airlines	10-0100 thru 10-0119	
	8.	Policy Regarding Timing of Redevelopment, Demolition & Reconstruction of Terminal 1, Boarding Area B	10-0120	
	9.	Award Contract 8656 - International Terminal Roadway Expansion Joint Repairs - American Civil Constructors West Coast	10-0121	
	10.	Award Contract 8804 - Central Plant Valve and Pipe Replacement - Evra Construction	10-0122	
	11.	Amendment No. 2 to Lease with T-Mobile, USA, Inc. for Wireless High Fidelity System	10-0123	

G.

CONSENT CALENDAR OF ROUTINE
ADMINISTRATIVE MATTERS:

- | | | |
|-----|--|---------------------|
| 12. | Select Consultant - Contract 8974.1, PSC for Boarding Area E Baggage Handling System & Passenger Boarding Bridge Improvements, Design and Integration - CAGE, Inc. | 10-0124 |
| 13. | Award PSC Contract 8928 to Provide Biological Services in Support of Airport's Wildlife Management Plan - Albion environment, Inc. | 10-0125 |
| 14. | Request for Qualifications and Proposals - Contract 8622 - Professional Engineering Services - Geotechnical Consultants | 10-0126 |
| 15. | Modification No. 5 to Contract 8688 - Catholic Healthcare West dba St. Mary's Medical Center | 10-0127 |
| 16. | Exercise First of Two, One-Year Options to Contract 8136D - High Technology Baggage Handling systems - Brock Solutions | 10-0128 |
| 17. | Bid Call - Contract 8603 - Boarding Area F Taxi Lane Reconstruction | 10-0129 |
| 18. | Bid Call - Contract 8553 - Airport Mechanical System Improvement | 10-0130 |
| 19. | Approve Terminal 2 Newsstands, Coffee and Specialty Store Lease Specifications | 10-0131 |
| 20. | Reject Proposals and Terminate Selection Process - Terminal 3 Accessories Kiosk Lease | 10-0132 |
| 21. | Award Professional Services Contracts for Background Investigation Services:
Contract 9001 - J.H. Askins Co.
Contract 8895 - J.D. Wesson & Assoc., Inc. | 10-0133
10-0133A |
| 22. | Modification No. 6 - Contract 4079 - Noise Monitoring System Professional Services Contract - Lochard Corp. | 10-0134 |
| 23. | Airport Improvement Program - Project 3-06-0221-54 (Grant No. 54) | 10-0135 |
| 24. | Modification No. 1 to Professional Services Contract - International Aviation Development Services - Gerchick Murphy Associates | 10-0136 |

- | | | |
|-----|--|---------|
| 25. | Accept and Expend Transportation Security
Administration Funding for K-9 Explosives
Detection Team Program | 10-0137 |
| 26. | Approve \$13,670 Rent Abatement - Pacific
Gateway Concessions, LLC | 10-0138 |

H. NEW BUSINESS:

I. CORRESPONDENCE:

J. CLOSED SESSION:
Potential Litigation

K. ADJOURNMENT:

AIRPORT COMMISSION MEETING MINUTES

March 16, 2010

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenheimer

Absent: Hon. Linda S. Crayton, Vice President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 2, 2010 were adopted unanimously.

No. 10-0069

* * *

D. SPECIAL ITEM:

Item Nos. 1 through 3 called together and moved by Commissioner Guggenheimer and seconded by Commissioner Mazzola. The vote to approve was unanimous.

1. Retirement Resolution - Mr. Dennis Roberts

No. 10-0070 Resolution thanking Mr. Dennis Roberts for 27 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. John Martin, Airport Director, said that Dennis Roberts is retiring as a Management Assistant from the Custodial Division after a 27-year career. He's played a very important role in overseeing the operation of the Custodial staff.

2. Retirement Resolution - Ms. Connie Fung

No. 10-0071 Resolution thanking Ms. Connie Fung for 25 years of faithful service and to offer best wishes for a long

and fruitful retirement.

Mr. Martin said that Connie Fung is retiring after 25 years. She was a winner of the Russell J. Mayweather's Custodial Excellence Award in 2001.

3. Retirement Resolution - Mr. Vicente Zipagan

No. 10-0072 Resolution thanking Mr. Vicente Zipagan for 21 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. Martin said that Vicente Zipagan is retiring after 21 years with the Airport.

All three retirees will be presented with a framed resolution.

Commissioner Mazzola congratulated all three retirees.

Item No. 4 was moved by Commissioner Johns and seconded by Commissioner Ito. The vote to approve was unanimous.

4. 2009 William R. O'Brien Employee of the Year Award

No. 10-0073 Resolution commending Charlie Freas for his outstanding level of dedicated and professional service to the Airport.

Mr. Martin gave tremendous recognition to Charlie. The William R. O'Brien Employee of the Year is a very important award. Many nominations for this award were received. Charlie has the reputation of doing the work of three people. He is a very high level producer who takes ownership of his responsibilities. He is very innovative and actively promotes good will among his fellow employees.

Charlie started 17 years ago as a Jr. Civil Engineer and is now an Assistant Engineer. He has been in charge of the Airport's Bay Pollution Prevention Program for the last four years ... an important job in making sure the Airport does its part in keeping the Bay clean and not letting anything go into the Bay that shouldn't be there. He's been instrumental in spearheading the FOG program, an innovative program that prevents fats, oil, and grease from entering into the sewage system and then into the Bay. It's a model program.

Mr. Martin thanked Charlie for his outstanding work. He just found out that Charlie is planning to retire in June. Perhaps this award will cause him to reconsider.

Mr. Charlie Freas thanked the members of the Commission and his co-workers. It's been a real pleasure working with these people. This Airport has been nothing but a phenomenal challenge and rewarding opportunity. He's had some really good experiences, but this tops them all. In light of all the people who have received this award before, and the person for whom it's named, he is very honored.

The Commission congratulated Mr. Freas.

Item No. 5 was moved by Commissioner Ito and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

5. 2009 Team Recognition Service Award

No. 10-0074

Resolution commending the "Stimulus Funding/
American Recovery Reinvestment Act (ARRA)
Project Team" on their outstanding level of
dedicated and professional service to the Airport.

Mr. Martin asked the members of the team to come forward. He told the Commission that there will be an event for those employees nominated for both the O'Brien Award and the Team Award.

The ARRA team worked very successfully to obtain Federal funding ... almost \$30,000,000 in total that was obtained. Staff re-prioritized projects so they could be undertaken quickly, and worked successfully in administrative and financial reporting. Because of our early success with projects we think the FAA and TSA chose to give us even more money because they knew that this team could deliver. In addition to this team, there's probably 60-70 other people who had a role, but the key team players are ... from the Finance group: Cindy Nichol, Tina Ko, Hazelle Fernandez, Bruce Robertson, Raul Valasco; from Design and Construction: Tom Rodrigues and Gerry Rayca; from Engineering: Seng Wee; from Planning: Nixon Lam and Audrey Park; and from Airfield Safety, Marilyn Daniels.

The Commission congratulated the team.

Ms. Cindy Nichol, speaking on behalf of the Team, said that they are not done because they are being audited by the OIG to make sure the jobs we reported are correct. We also have quarterly reporting that every single person is involved in. This is a great team and they continue to work hard to justify the grants that we have received.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 6 through 8 were called together and moved by Commissioner Guggenheim and seconded by Commissioner Ito. The vote to approve was unanimous.

6. Authorization of New Lease and Use Agreements Effective July 1, 2011 with

Airlines Operating at San Francisco International Airport

No. 10-0075
thru
No. 10-0099

Resolution authorizing New Lease and Use Agreements effective July 1, 2011, for twenty-four airlines operating at San Francisco International Airport.

Mr. Leo Fermin, Deputy Director, Business and Finance, said that he was happy to report that after more than two years of discussions and negotiations we have successfully reached agreement with our Airlines on a new ten year Lease and Use Agreement. This new agreement continues the annual service payment to the City's general fund. The three agenda items before you are all related. Agenda Item 6 approves that 25 new leases for those Airlines, which to date, have signed the new agreement. As additional Airlines sign the new lease, we will return to you for approval of those Airline leases as they come up. As negotiated with the Airlines, we have agreed to allow space give backs for the final year of the current 1981 lease. These are the lease modifications shown on Agenda Item 7. These space give backs was an incentive to the Airlines for agreeing to terms of the new lease as well as signing the new lease 1 ½ years early. Finally, the Airlines have requested that the Commission approve a policy statement regarding the criteria and triggers for the longer term renovation of Terminal 1 and Boarding Area B. This is contained in Agenda Item No. 8.

Commissioner Guggenhime asked which airlines haven't signed. Certain airlines are not signatories at the moment ... Air New Zealand, Emirates, Southwest, US Air, and Virgin America.

Mr. Fermin said that the airlines that were parties to the settlement agreement that have not signed have given us the waivers and release.

Commissioner Guggenhime asked if we anticipate that they will sign.

Mr. Fermin responded yes. For example, American Airlines has to wait until their Board meeting at the end of April before they are given approval to sign the lease. He is not sure if Qantas is planning to sign or not. They are up in the air ... they are still evaluating the whole thing. Jet Blue has not yet signed, but they have no space to give back so they don't have the incentive to sign early. Altogether there are about 39 main passenger airlines, if you exclude seasonal charters, all cargo carriers and the regional operators which subcontract with main line carriers such as United and American. Of the 39, 25 have signed to date, so 14 are left.

Commissioner Johns thought that the important ones had signed who had signed the original agreement. That's part of the key.

Mr. Fermin said that the airlines that we needed to have execute the agreement or give us a waiver and release in order for us to continue the annual service payment have all signed either the lease or the waiver.

Mr. Martin said that in the end he expected every single carrier to sign the lease, or at least 37 or 38 of the 39, given the 25% penalty.

Commissioner Guggenheim said that he thought they would all sign.

Commissioner Ito said that Leo and his team have done a remarkable job getting this done a year and half early. There was a notation on the summary page stating that "all airlines are obligated to be in compliance with or obtain an exemption from the requirements of Equal Benefits Ordinance and City contracting requirements." She asked if some airlines are getting some sort of exemption. She did not know if there was some airline policy that prohibited them from complying in California.

Mr. Fermin responded that the airlines are required to comply with City requirements. He was not quite sure what the process for exemptions are.

Ms. Molly Stump, Airport General Counsel, said that she was not aware of one. She can return to the Commission with a detailed list of where everyone stands on the various social policy requirements. She believed that the statement in the summary simply refers to the fact that the HRC retains jurisdiction to administer those rules and, as part of that jurisdiction, from time to time in appropriate cases they do grant exemptions.

7. Authorization of Airline Lease Modifications Effective July 1, 2010 Concurrent with Airport Approval of the Airline Commitments to the 2011 New Lease and Use Agreement with Airlines Operating at San Francisco International Airport

No. 10-0100	Resolution authorizing 1) modification of the
thru	Airline/Airport Lease and Use Agreements for nine
No. 10-0119	airlines as listed on Attachment A, Table 1, 2) the
	modification of the Airline/Airport Lease and
	Operating Agreements for eleven airlines as listed on
	Attachment A, Table 2, and 3) the early termination
	of the lease with Northwest Airlines.

8. Policy Regarding Timing of the Redevelopment, Demolition and Reconstruction of Terminal 1 and Boarding Area B as Agreed with our Airlines

No. 10-0120	Resolution adopting policy regarding the timing of the
	Terminal 1 and Boarding Area B Capital Project
	reflecting agreement with the airlines operating at the
	Airport.

Item No. 9 was moved by Commissioner Ito and seconded by Commissioner Johns. The vote to approved was unanimous.

9. Award Contract 8656 - International Terminal Roadway Expansion Joint Repairs - American Civil Constructors West Coast - \$999,000

No. 10-0121	Resolution awarding Contract 8656, International
	Terminal Roadway Expansion Joint Repairs, to the

lowest responsive, responsible bidder, American Civil Constructors West Coast, Inc. in the amount of \$999,000.

Mr. Joe Birrer, Facilities, said that this item awards Contract 8656, International Terminal Roadway Expansion Joint Repairs, to the lowest responsive, responsible bidder, American Civil Constructors West Coast, Inc. in the amount of \$999,000.

The International Terminal elevated roadway seismic joints have been problematic and multiple attempts to repair them have had limited success. This contract will structurally modify the concrete joints and install a seismic expansion system within the joint. Due to the unique nature of this project Airport Engineering sought outside structural design peer review from the San Francisco Public Utilities Commission (SFPUC) Structural Engineering staff. They reviewed and validated both our design approach and our design drawings. The construction work involved in this contract is the demolition of the existing seismic joints, the concrete and structural repair of the joint, and the installation of a seismic expansion system in the joint.

Twelve bids were received on January 14. The low bid was \$999,000. The Engineers estimate was \$1,000,000. The LBE subcontracting goals was set at 6% and the contractor has committed to 6.2% LBE participation level. The second low bidder submitted a bid protest which was reviewed by HRC and Airport Legal Counsel and ruled to be without merit. The contract duration on this project is 90 consecutive calendar days with the majority of the work taking place at night.

Commissioner Ito noted that this lasted almost 10 years and asked about the projected life span of this corrected job.

Mr. Birrer responded that the joints did not start failing immediately, but they have been a problem and never performed as originally intended. Maintenance has tried to make repairs and we've looked at other repairs. So we looked at it in a different way than was originally designed. That was another reason we sought structural peer review because we were proposing a different approach to the design. The SFPUC staff agreed with the approach we wanted to implement. This should certainly last 20-30-40 years. These joints should never have failed in 10 years.

Item No. 10 was moved by Commissioner Guggenheim and seconded by Commissioner Mazzola. The vote to approve was unanimous.

10. Award Contract 8804 - Central Plant Valve and Pipe Replacement - Evra Construction, Inc. - \$755,000

No. 10-0122	Resolution awarding Contract No. 8804, Central Plant Valve and Pipe Replacement, to the lowest responsive, responsible bidder, Evra Construction, Inc., in the amount of \$755,000.
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Mr. Joe Birrer explained that this item awards Contract 8804, Central Plant Valve and Pipe Replacement, to the lowest responsive, responsible bidder, Evra

Construction, Inc. in the amount of \$755,000. The contract replaces specific identified valves and piping in the Central Plant which are used to heat and cool the Airport terminals. Most of those valves and piping have been in service close to 30 years. The valves and related piping are leaking and/or are corroded and have reached the end of their useful life. The type of work to be performed in this contract is plumbing, welding, rigging of valves and piping, and some associated concrete work.

Six bids were received on February 4th. The initial low bidder was Proven Management, Inc. with a bid of \$699,634 for the base bid and all of the added alternates, A1 through A6. However, Proven failed to meet the LBE requirements for this contract and was determined by HRC staff to be ineligible for award. The second low bidder was Evra Construction with a bid of \$803,000 for the base bid and all of the added alternates.

The Engineer's Estimate for the base bid and all added alternates was \$750,000. Evra's base bid plus the accepted added alternates, A2 through A6, has a contract value of \$755,000. No bid protests were filed. The LBE subcontracting goal for this project was set at 10% and with a base bid and accepted added alternates, Evra Construction has committed to a participation level of 14.2%. The duration of this contract is scheduled to be 240 consecutive calendar days with the majority of work taking place in the daytime between 7:00 am - 3:30 pm.

Commissioner Johns asked why we aren't we doing A1?

Mr. Birrer responded that we aren't doing A1 because we don't have the construction budget to do this. Our construction budget is right at that \$750,000-\$775,000 level. This pushes us over and leaves us no contingency in case there are unforeseen problems, so we decided to leave A1 out.

Commissioner Johns asked if it's something that can be scheduled at a later time.

Mr. Birrer responded that it can be. Looking at the problems that we're trying to rectify with this contract we think we can look at it at a later time or perhaps work with the Maintenance staff, or put it in some other Contract. At this point we don't feel we have the construction budget to do that work.

Commissioner Johns said that since this is insulation will something be exposed and then closed up.

Mr. Birrer responded that this is insulation on the hot water, boiler system piping that goes from the Central Plant into the terminals. We aren't around these pipes on a regular basis. We know there's a problem that needs to be addressed, but based on our budget and what we feel is most important, we believe that can wait.

Item No. 11 was moved by Commissioner Guggenheimer and seconded by Commissioner Ito. The vote to approved was unanimous.

11. Amendment No. 2 to Lease Agreement with T-Mobile, USA, Inc., for Wireless High Fidelity System ("Wi-Fi") at San Francisco International Airport

No. 10-0123

Resolution approving lease amendment No. 2 authorizing a change to the payment terms for the month-to-month hold-over of the existing Wireless High Fidelity System concession to continue to provide Wi-Fi service to the traveling public.

Ms. Theresa Lee, Deputy Director, Administration, said that the Commission approved implementing free Wi-Fi for the traveling public in January and authorized staff to enter into negotiations with our current Wi-Fi provider, T-Mobile to implement a pilot free Wi-Fi network until a long term vendor is selected through the RFP process. Our concession lease with T-Mobile expired the end of February and in accordance with the lease we can extend it on a month to month basis until the pilot project is implemented. We plan to implement free Wi-Fi no later than July 30, 2010. As part of our negotiations for the pilot free Wi-Fi we are requesting approval to modify the payment terms during the holdover period from the higher of the MAG or 30% of gross, to just the MAG during this holdover period. This will allow us to continue to provide Wi-Fi services until we transition to free Wi-Fi. Once our pilot free Wi-Fi is operational, the Airport will pay T-Mobile to operate and maintain the network until we select a long-term vendor through the RFP process.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 12 through 26, was moved by Commissioner Mazzola and seconded by Commissioner Guggenlime. The vote to approve was unanimous.

12. Selection of Consultant for Contract No. 8974.1, Professional Services Contract for Boarding Area E Baggage Handling System & Passenger Boarding Bridge Improvements, Design and Integration - CAGE, Inc.

No. 10-0124

Resolution approving the selection of CAGE, Inc., as the highest ranked proposer, and authorizing the Director to enter into negotiations and prepare a professional services agreement for Contract 8974.1, Boarding Area E Baggage Handling System and Passenger Boarding Bridge Improvements, Design and Integration.

13. Award Professional Service Contract 8928 - Provide Biological Services to Support the Airport's Wildlife Hazard Management Plan - Albion Environmental, Inc. - \$250,000

No. 10-0125

Resolution awarding Professional Services Contract 8928 to Albion Environmental, Inc., for a three year term, with one option to extend the contract for two years, to provide biological services in support of the Airport's Wildlife Hazard Management Plan in a total contract amount not-to-exceed \$250,000.

14. Request for Qualifications and Proposals of Contract No. 8622 Professional Engineering Services - Geotechnical Consultants

No. 10-0126 Resolution authorizing a Request for Qualifications and proposals for Contract No. 8622, Professional Engineering Services, Geotechnical Consultants.

15. Modification No. 5 to Contract 8688 - Catholic Healthcare West dba St. Mary's Medical Center - \$1,160,180

No. 10-0127 Resolution approving Modification No. 5 to Contract 8688 with Catholic Healthcare West dba St. Mary's Medical Center to exercise the second option year in an amount of \$1,160,180.

Commissioner Ito remarked that she no longer has to recuse herself from items relating to Catholic Healthcare West as she is no longer on their Board.

16. Authorization to Exercise the First of Two One-Year Options to Contract 8136D for High Technology Baggage Handling Systems - Brock Solutions - \$150,000

No. 10-0128 Resolution approving the first of two, one year options to Contract 8136D for High Technology Baggage Handling Systems with Brock Solutions. The contract scope will be modified to include operational and maintenance oversight of the new Terminal 2 baggage handling system. The not to exceed contract amount will increase by \$150,000 for a new total contract amount not to exceed \$650,000.

17. Bid Call - Contract No. 8603 - Boarding Area F Taxi Lane Reconstruction

No. 10-0129 Resolution approving the scope, budget, and schedule for Contract 8603, Boarding Area F Taxi Lane Reconstruction, and authorizing the Director to call for bids when ready.

18. Bid Call - Contract No. 8553 - Airport Mechanical System Improvement

No. 10-0130 Resolution approving the scope, budget, and schedule for Contract No. 8553, Airport Mechanical System Improvement, and authorizing the Director to call for bids when ready.

19. Approve Terminal 2 Newsstands, Coffee and Specialty Store Lease Specifications

No. 10-0131

Resolution approving the revised lease specifications, minimum qualifications, and proposal requirements, and authorizing staff to accept proposals for the Terminal 2 Newsstands, Coffee and Specialty Stores Lease.

20. Reject Proposals and Terminate the Selection Process for the Terminal 3 Accessories Kiosk Lease

No. 10-0132

Resolution rejecting the proposals and authorizing staff to terminate the selection competitive process for the Terminal 3 Accessories Kiosk Lease.

21. Award Professional Services Contracts for Background Investigation Services Contract 8895 - J.D. Wesson & Associates, Inc; and Contract 9001 - J. H. Askins Company, Inc. - \$100,000

No. 10-0133
No. 10-0133A

Resolutions awarding Professional Services Contract 8895 to J.D. Wesson & Assoc., Inc., and Contract 9001 to J.H. Askins Co., Inc., for a combined total not to exceed amount of \$100,000 to provide background investigation services for a period of five years.

22. Modification No. 6 to Contract 4079 for Noise Monitoring System - Professional Services Contract with Lochard Corporation - \$243,010

No. 10-0134

Resolution approving Modification No. 6 to Contract 4079 for Professional Services with Lochard Corp., to extend the Maintenance Agreement for Phase 1, July 1, 2010 thru June 30, 2011, extend the term of the Agreement for Phase II warranty period until June 30, 2011 and increase the amount by \$243,010 for a new total not-to-exceed contract amount of \$4,074,323.

23. Airport Improvement Program - Project No. 3-06-0221-50 (Grant No. 54) Project Application

No. 10-0135

Resolution authorizing the Director to execute and file a project application with the FAA for Federal Assistance in the amount of \$750,000 in support of the Airport's Geographic Information System (AGIS) Pilot Program.

24. Modification No. 1 to Professional Services Contract International Aviation Development Services - Gerchick Murphy Associates - \$30,000

No. 10-0136

Resolution approving Modification No.1 to contract with Gerchick Murphy Assoc. to increase the amount by \$30,000 for a new total not-to-exceed \$155,000 in FY 2009/10 for continued International Aviation Development Services; all other terms and conditions of the contract remain in full force and effect.

25. Accept and Expend Transportation Security Administration (TSA) Funding for the K-9 Explosives Detection Team Program of \$553,500

No. 10-0137

Resolution authorizing acceptance and expenditure of TSA Funding for the K-9 Explosives Detection Team Program of \$553,500.

26. Approval of a \$13,670 Rent Abatement for Pacific Gateway Concessions, LLC

No. 10-0138

Resolution approving a rent abatement in the amount of \$13,670 for architectural costs incurred by Pacific Gateway Concessions LLC for work requested by the Airport in the design of the Boarding Area F ceiling.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Greg Cook, representing the Greater California Livery Association, said that a couple of weeks ago he had the occasion to visit the San Diego County Airport Authority Commission on a matter on their agenda and noticed that they had a staff report and resolution developed regarding pending State and Federal Legislation. There was some four State bills and one Federal bill that the Commission, by resolution, directed its staff and lobbyist to pursue. Among those bills that were identified were AB 1855, which is sponsored by you, and AB 2572 which is sponsored by the Greater California Liberty Association. Their analysis did not discuss AB2572 and after my comments, the Chairman directed staff to investigate the legislation and to report back to the Commission. My request is that you follow that pattern. These two bills are important to the Airport and to us, and we would like you to calendar a staff report of pending legislation in California so that we may have an opportunity to address you and discuss the issues that are contained in that legislation.

Our association represents over 5,000 California Public Utilities Commission licensed and permitted limousine operators in California and I'm told by your staff that some 1,600 of those are permitted to operate and serve San Francisco International Airport. As a result, in the future I would like to have the opportunity to meet with you in a study or workshop

session to discuss issues that are important to our industry as it relates to SFO, and most specifically to discuss your resolution of 2000 regarding clean air vehicles which is up for implementation in 2012. We're having serious difficulty finding vehicles that can meet your requirements while at the same time meeting customer demand. The infrastructure does not exist in California for us to provide the kind of clean air vehicles that you would like to see on the streets. I respectfully request that sometime in the future you calendar that item as well as a staff report on pending legislation. Thank you.

Mr. Martin said that he will follow up.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:29 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

April 6, 2010

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

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SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Meeting of
April 6, 2010

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AIRPORT COMMISSION MEETING MINUTES

April 6, 2010

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:03AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President Hon. Caryl Ito Hon. Eleanor Johns Hon. Rich Guggenheimer
Absent:	Hon. Linda S. Crayton, Vice President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 16, 2010 were adopted unanimously.

No. 10-0139

* * *

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Ito and seconded by Commissioner Johns. The vote to approve was unanimous.

1. Retirement Resolution for Mr. Isidro Antiniw

No. 10-0140	Resolution thanking Mr. Isidro Antiniw for over 33 years of faithful service with the City and County of San Francisco.
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Mr. John Martin, Airport Director, asked I.C., as he is known at the Airport, to step to the microphone. I.C. has been a great employee of the Airport for 27 years and 34 years with the City overall. He joined the Airport in 1983 as a Sr. Payroll Clerk and was very instrumental in implementing a number of new financial reporting systems and continued to implement new systems for us over the years. He was promoted into the Capital Projects/PFC Grant Section some years ago, and he currently works as an Administrative Analyst prior to retirement a couple of weeks ago. He was always known for his dependability, accuracy, detail-orientation, as well as his warm smile and positive attitude that was appreciated by his fellow employees. He congratulated I.C. and wished him well in his retirement.

Mr. Antiniw thanked the Director and the Commission and said that it has been a pleasure working for the City and San Francisco International Airport ... the Airport of Choice. Thank you all.

Commissioner Mazzola thanked I.C. for his service and wished him well.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito commented to the Director and the Finance team on the remarkable bond sales. She noted that the ad was a different approach and was very successful. She asked if that was an effort to get more smaller investors involved.

Mr. Martin said that we wanted to reach out to smaller investors and open up the market beyond the traditional areas that we sell bonds. He thanked Commissioner Ito for extending her appreciation to staff. All of the Capital Finance staff are present today ... Cindy Nichol, Kevin Kone, Chloe Weil, all under Leo's leadership. They have done a great job. We are viewed as one of the most successful issuers in the country.

Commissioner Ito was impressed that we had \$200,000,000 more offers to buy.

Mr. Fermin said that we were trying to reach out to the small investors. We set aside the first day specifically for small investors and we were very happy with the results.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 2 through 5 were called together. They were moved by Commissioner Guggenheimer and seconded by Commissioner Ito. The vote to approve was unanimous.

2. General Airport Financial Advisory Services - Award of Financial Advisory Contract to the Joint Venture of Public Financial Management, Inc. and Backstrom McCarley Berry and Co., LLC - Not-to-exceed \$1,900,000 for the First Year of Service

No. 10-0141

Resolution awarding a three-year contract to the Joint Venture of Public Financial Management, Inc. and Backstrom McCarley Berry and Co., LLC to provide General Airport Financial Advisory Services in an amount not-to-exceed \$1,900,000 for the first year of service, of which \$1,450,000 would be on a contingent basis.

Mr. Leo Fermin, Deputy Director, Business and Finance, said that these four items are for a range of different services.

Item No. 2 is for the General Financial Advisor Contract which provides for ongoing work needed to manage our \$4.5 billion debt portfolio. It also provides for work on new money bonds, bond refundings, rollovers of short term debt and commercial

paper. The annual retainer for on-going work is \$450,000 and includes \$120,000 for reimbursable expenses such as the cost of printing the official statements, the fees paid to the credit rating agencies such as Standard and Poors, Moodys ... fees which are assessed when bonds are first issued and also for on-going credit surveillance work. In addition to their annual retainer, we are also requesting \$200,000 for ad-hoc services which we may unexpectedly need. If such needs arise then the work will be done on an hourly billing basis. This \$650,000 for our on-going work will be provided for in our annual operating budget. The cost of any bond issuances themselves will come out of bond proceeds and this contract would authorize up to \$1,250,000 to be encumbered from future bond issuances.

3. Arbitrage Rebate Compliance Services - Award of Financial Advisory Contract for to Bond Logistix, LLC - Not-to-exceed \$175,000 for the First Year of Service

No. 10-0142

Resolution awarding a three-year contract to Bond Logistix, LLC to provide Arbitrage Rebate Services in a total amount not-to-exceed \$175,000 in the first year of service.

Mr. Fermin said that Item No. 3 awards the Arbitrage Rebate Reporting contract which is needed to comply with IRS tax regulations. For each of our series of outstanding bonds we are required to submit very detailed and complex analyses and arbitrage rebate and yield restriction compliance reports. We have to prove that the investment earnings achieved on bond monies do not exceed the interest costs on the bonds, and if they do, then we pay the difference to the IRS.

4. Swap Advisory Services - Award Two, Three-Year Financial Advisory Contracts - Swap Financial Group, LLC - Not-to-exceed \$1,500,000; and PFM Asset Management, LLC - Not-to-exceed \$1,000,000 - For the First Year of Service

No. 10-0143

No. 10-0144

Resolution awarding contracts with a three-year term to Swap Financial Group, LLC not-to-exceed \$1,500,000; and PFM Asset Management, LLC not-to-exceed \$1,000,000 to provide Swap Advisory Services. Fees are on a contingent basis for a total amount not-to-exceed \$2,500,000 in the first year of service.

Mr. Fermin said that Item No. 4 awards two Swap Advisor Contracts for the ongoing management of our swap portfolio and work needed to comply with requirements of the government Accounting Standards Board. Our interest rate swaps are a counter balance to our variable rate debt resulting in practically fixed debt payments that are lower than what we would have achieved otherwise. Without these swaps, to date we would have paid \$67,000,000 more in debt service. We are currently saving about \$5,000,000 annually because of swaps. Our swap portfolio requires ongoing tracking and monitoring and these two contracts provide \$100,000 for these services for the first year. The contracts also provide for the ability to move quickly to address any potential fixes which may be needed in the future in case volatility

again erupts in the financial markets. As with the issuance of bonds, these costs would only arrive if a swaps transaction were undertaken and would be paid from the transaction proceeds. The contract awards provide for up to \$2.5 million total to be paid, if necessary, from the proceeds of swap transactions.

5. Investment Advisory Services - Award Two, Three-Year Financial Advisory Contracts - PFM Asset Management, LLC - Not-to-exceed \$175,000; and Bond Logistix, LLC - Not-to-exceed \$175,000 - For the First Year of Service

No. 10-0145
No. 10-0146

Resolution awarding two, three-year contracts to 1) PFM Asset Management, LLC not-to-exceed \$175,000; and 2) Bond Logistix, LLC not-to-exceed \$175,000 to provide investment advisory services for a total amount not-to-exceed \$350,000 in the first year of service

Mr. Fermin said that Item 5 awards two investment advisory contracts for the investment of bond proceeds, principal and interest payment funds, debt service reserve funds and investment agreements. These services will be on an as-needed basis. Although we are asking approval of \$175,000 for each contract, we project that only half of this amount will be needed for each contract for the first year.

Commissioner Johns asked why staff did not provide a list of entities that responded to the RFP as is usually done.

Mr. Fermin responded that the list is large but can be provided to the Commission.

Commissioner Ito thought we had a short list of firms.

Mr. Fermin responded that we do.

Commissioner Ito said that she was glad that there built in guidance and monitoring of expenses based on what we're saving ... we are spending a lot of money to monitor our investments and there are IRS stipulations regarding these things.

Mr. Fermin said that when we did our last tax returns we found that we had to remit about \$300,000 in rebates back to the Federal government. Bond Logistix, our Arbitrage Rebate advisor, did a calculation of our numbers and found that the rebate amount should have been only \$190,000, resulting in a savings of \$110,000 because of their work. The fee for that particular exercise was around \$20,000.

Commissioner Johns asked if fees are standard whether we make or lose money.

Mr. Fermin responded that the Financial Advisor fee is on a retainer bases ... about \$330,000 for ongoing work. The transactional fees for bond issuances are typical industries standard fees.

Item No. 6 was moved by Commissioner Ito and seconded by Commissioner Mazzola. The vote to approve was unanimous.

6. Modification No. 1 to Professional Services Contract with the San Francisco Convention & Visitors Bureau to Provide Continued International Strategic Marketing Services - \$270,000

No. 10-0147

Resolution approving Modification No. 1 to Professional Services Contract with the S.F. Convention & Visitors Bureau to increase the amount by \$270,000 for a new total not-to-exceed amount of \$1,259,000 in FY2009/10 for continued International Strategic Marketing Services; all other terms and conditions of the contract remain in full force and effect.

Ms. Kandace Bender, Deputy Director, Communications and Marketing, said that one year ago we launched our first international marketing campaign when the Commission approved a pool of marketing firms for this purpose. Our primary partner in these endeavors has been the S.F. Convention and Visitors Bureau with an initial budget of \$989,000. In the first year of our extended partnership we increased our in-country representation from 11 to 13 countries, we launched foreign language website landing pages in five different languages, refreshed the Chinese and Japanese language websites and participated in more than a dozen promotional programs in Korea, Japan, China, the UK, Mexico and Canada. In addition the CVB, along with another firm from the pool, participated in an extensive marketing campaign in Australia and New Zealand. That campaign had many elements including outdoor billboard advertising at the entrances to the Sydney, Brisbane and Auckland Airports that encouraged travelers to choose SFO as their point of entry to North America. We don't have numbers on the campaign yet, but anecdotally all three of the carriers that serve that market have reported notable spikes in ticket sales since the campaign began. Last year San Francisco Airport was the third fastest growing airport in the world, behind Beijing and Dubai, and we hope that trend continues. We're fortunate enough to be launching three new international carriers in the next 90 days: Swiss International to Zurich, Air Berlin to Dusseldorf, and LAN Peru to South America. We need assistance with marketing support for these new services ... assistance that we promised when they agreed to start service at SFO. Therefore, we're launching promotional campaigns in Germany, Switzerland, Northern Italy, France and South America to support these new flights and we're seeking a modification of \$270,000 to the CVB contract to assist us in these efforts. This is not new money; it was originally allocated for international marketing efforts and was set aside earlier this year until needed.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 7 through 11, was moved by Commissioner Guggenheim and seconded by Commissioner Ito. The vote to approve was unanimous.

7. Airport Improvement Program: Project No. 3-06-0221-51 (Grant No. 51); Project

No. 10-0148 Resolution authorizing the Director to executive and file a project application with the FAA for Federal Assistance in the amount of \$14,850,000.

8. Commence the Competitive Selection Process for the International Terminal Museum/Gallery Store Lease

No. 10-0149 Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to commence the competitive selection process for the International Terminal Museum/Gallery Store Lease through a Request for Proposal process

9. Early Termination of the Airport Hair Salon Lease No. 00-0144

No. 10-0150 Resolution approving the early termination of the option period of Airport Hair Salon Lease No. 00-0144 with William Rosario and Gloria Rosario dba SFO Hairport.

10. Assignment of the New International Terminal Newsstands Lease No. 04-0006, Terminal 3 Concourse Newsstands Lease No. 04-0007, and Boarding Area "F" Specialty Store Lease No. 04-0166, with The Paradies Shops, Inc.

No. 10-0151 Resolution consenting to the assignment of New International Terminal Newsstands Lease 04-0006, Terminal 3 Concourse Newsstands Lease 04-0007, and Boarding Area "F" Specialty Store Lease No. 04-0166 from The Paradies Shops, Inc. to Freeman Spogli & Company.

11. Clear Channel Outdoor, Inc.'s Airport Advertising Lease No. 00-0408

No. 10-0152 Resolution approving the inclusion of a capital improvement requirement, in a minimum amount of \$214,000 to Amendment No. 3 of Clear Channel Outdoor, Inc.'s Airport Advertising Program Lease No. 00-0408.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Dr. Saphronia Johnson, Project Equilibria, commended the Commission on the work done at SFO, however, she was present to speak about the shuttle service. Recently we've had a national conference, one of the largest scientific conferences in the Bay and the shuttle service was less than appropriate. We had individuals that were shuttled onto shuttles that weren't going to the hotels that they were going to. She's heard of experiences where they were put on a shuttle and not told that it was going to the Marriott which is a contracted hotel for another convention and they were taken around and they said you had to get on a different shuttle in order to go to that hotel. SFO being the third largest growing Airport in the world, you would think we would have better shuttle service for our visitors. I'm also trying to get one of the largest minority national scientific conferences to be hosted in the City of San Francisco as well. It's a little difficult to sell the City if they know they can't get to the places that they need to go to via the shuttle service that we have now. I'm not saying that the shuttle service is all bad because there were a lot of people that did get to their destination in a timely manner, but after you fly certain hours, eight hours a day, you just want to get to the hotel that you want to go to. There's a lot of improvement that needs to be done in that area and I would just like for you to take a look at that area and try to improve that a little bit more. Thank you.

Mr. Martin asked Dr. Johnson to meet with Abubaker ... he's in the back of the room ... so we can get names of companies and do a full investigation. We are interested in following up.

Dr. Johnson said that she was not sure of the actual companies. These were things we heard at the opening dinner.

Commissioner Johns asked if they were directed to the wrong shuttles, or, once they got to a shuttle they were then given incorrect information.

Dr. Johnson responded that it was the logistics when you get off the airplane and go down to the shuttle service ... some were not greeted very nicely. People were trying to get to their hotel and were not treated nicely. I recently moved back to the Bay Area and I used to come to conferences in the Bay and I understand what they were saying and that's why I'm here today just to see if we can improve on this service a little bit more.

Commissioner Guggenheimer asked if there were issues about vouchers, being sent to different shuttle companies, or was that not a problem.

Dr. Johnson responded that the conference contracted with several shuttle services and she not sure if they didn't have the correct voucher to get on the shuttle or maybe they were directed to the wrong shuttle. But I did hear a couple of colleagues that did say that I got on the shuttle, and they told me it was going to take me to the Marriott and when I got on it wasn't what it was suppose to have been. And then waiting on the shuttle as well for a little while. You're sitting in a shuttle after you get off the plane for eight hours, it's like okay, when are we going to leave. I really need to get to where I need to go to.

Commissioner Mazzola told Dr. Johnson that he was sorry for her bad experience and thanked her for letting us know. We will try to get a handle on it.

Mr. Anwar El Shaer said that he have been meaning to correct his TCB. Instead of 24745 it should be 24754 the last two numbers on the letterhead.

Mr. El Shaer read from a statement (see attachment.)

Mr. Martin said that staff will follow-up.

Mr. Al Jones. Just recently we had a major snow storm on the East Coast, where the flights were delayed. Living here on the West Coast, you get in rather late from a flight. It is my understanding that between the hours of 10pm and 10am, that there is no curb service for shuttles. I have relatives that were in the East Coast, I returned back, got back late in the evening, it was about 12:30-1:00 o'clock and there was no curb service, nothing for me. I'm tired. I'm hungry. I'm trying to get home. You ask somebody ... where can I find a shuttle or anything like that and nobody knows nothing. It's not happened once, it's happened several times before. It's sort of a repeated occasion, especially in the later part of the evenings, anytime after 10 o'clock ... between 10pm and 10am, it's my understanding, that there is no curb service. I'm asking the Commission if we can really take a look at that, not just for me personally, but for anyone has never been to San Francisco, knows nothing about SF, doesn't know how to get around San Francisco. You've been on a flight for an extended period of time and you're tired. And the last thing you really want to do is have to seek and search for curb service. You hear people talk, go to the curb, you get somebody to take you someplace and you go out there, no matter what time it is and there's no one there. So I'm asking the Commission if we can take a look at this and see if we can somehow, some kind of way to get a resolution to this. Talk to the companies, see if we can the hours extended, see if there is a possibility that we can do it 24/7. I'm really not sure what the policies are on that. But if we can get that taken care of, it would be greatly appreciated.

Mr. Martin John said that we can't say much on items not on the calendar. He asked Mr. McCoy to be brief.

Mr. McCoy said that effective March 15 we extended the hours until Midnight in spite of the strong objections to the shared ride operators that have to pay for it. But now it's until midnight and one hour earlier in the morning, beginning at 9:00 AM.

Mr. Martin added that we will provide a more detailed report. We just received proposals for curbside management through an RFP.

Mr. Emil Lawrence said that he is a 41-year resident of San Francisco. I have spoken before to this Commission before. I'm also the guy that Gavin Newsom, Mayor of City & County of SF blocked from three taxi director post for over the past five years as well as 400 administrative analyst posts in the City & County of San Francisco. But that's not the basis of my talk this morning. Very briefly, for the period of past four years and 14 years, I've been supporting myself as a taxi driver in the City & County of SF. As of last month, DAJA Landside Shuttleport, whatever they want to call themselves today, are attempting to raise taxi fees again. For the third time in seven years since they came in to operation ... and you Mr. Martin know about DAJA under Mayor Willie Brown. Taxi

drivers in the City & County of San Francisco do not have unemployment insurance, grievance procedures, pensions, dental plans or medical plans, yet they squeezed by every agency in this City for funds ... from citations to documentation fees. Now they want to raise the fee from \$1.50 to \$4.00 which they did, now to \$5.00 and cut our shorts. Let me tell you, Commissioners, a taxi driver in the City makes \$8 to \$9 an hour, with no benefits. Even at SFO, while you pump millions of dollars in various enterprises, all we have is a lot to sit in all day long while we wait for fares back to the City & County of San Francisco. We got a lousy latrine to go to that smells. We have tables out there that bird craps sits on a half the day and no one cleans it up. Yet, we're squeezed again at \$7 to \$9 an hour. I'm totally opposed to it. I don't think it's right. Were in an economic demise right now, and it may continue for a number of years. For us to be squeezed is not right. I bring before you a letter also that I submitted to DAJA Shuttleport. We're in a battle with DAJA right now because Mr. Thompson, whose operations management, is removing bulletins from the taxi bulletin board that are unfavorable towards him. He doesn't have a right to do this. I think it's against the law as well. I've submitted a letter by email to this Commission yesterday also, a letter by email in the past week related to this. Also, one last thing ... I've asked for documents from the Controller's department related to investments by SFO, the operating budget, a list of employee salaries. They claim they cannot get it from you so I'm submitting also a letter that I want submitted into the minutes requesting public access for documents related to about 5 items or 7 items on the agenda which also relate to DAJA Shuttleport's annual operating budget, SFO's annual operating budget, your investment funds, DAJA's total employees and payroll for the year 2005 to 2010.

Mr. Larry Holt. My purpose today is to make a request for reasonable accommodation in the parking area at SFO Airport near Terminal F. This accommodation is for a urinary disability as per my doctor's request near Terminal F parking area. I've submitted a copy of that request for you. My efforts to obtain reasonable accommodation began about September 2008. I've been impeded for two years and treated shabbily by the SFO Parking Manager's office, Human Rights Commission, ADA, in conjunction with EEOC. I hired an attorney for mediation but that didn't work. Two employers, the current vendor I work for and the predecessor vendor. I've also spoken with Airport General Council, Molly Stump. And everything I've done so far is to no avail. I aspire to appeal to your sense of fairness for reasonable accommodation. The Airport Parking authority provides two alternatives and one is for employees ... is parking at the D parking area near San Bruno Avenue which, given my symptoms, my urinary symptoms is unacceptable. Two, there's an alternative for \$13 per day near the terminal building and that's gotten too expensive. I've been doing this for two year. \$13 a day is over \$3,000 a year for parking for a mere service employee at the Airport. I'm sick and need your help.

Ms. Ann McVeigh, a 30 year SF cab driver, said that although there was some public notice of meetings at the Airport about the removal of the short line, word did not get to the majority of drivers and the first time they heard it was when they were taken away. This has created a lot of alarm among the drivers. Some drivers are concerned but they aren't people who usually go to meetings or make trouble. Many Asians just want to follow the law and make a living. But they aren't going to make a living if there is no compensation for the shorts. Drivers may wait two hours in the morning and get a \$10 short to San Bruno and then go back to the Airport and wait another three hours. That's five hours, or half of their shift. The beginning of the week is usually slower but drivers still pay an \$80 or \$90 gate. They're not going to be able to make a living and pay their

mortgages and they're very concerned. There are a couple of suggestions in this article and it has a lot of truth. All of us can relate to the cab driver from hell, the cab ride from hell in almost any city in the country, but it misses some truth. It says on one hand that a third of the rides out of SFO are shorts and then it says that things will average out over time. If the shorts are removed, a guaranteed \$22 minimum for anyone not going to the City would be fair. There are a lot of problems with the shorts. I get a lot of shorts and get paid as much as going into the City because people are so thankful that I'm treating them nicely. But that doesn't happen to a lot of drivers. This particular driver had two accidents within nearly a year. Many drivers don't stay in the business long because of the way they drive, and some drivers refuse shorts. The short system evolved so that passengers who live on the peninsula wouldn't be treated rudely ... a practical reason. This is an extreme case, but not an untrue one. But it doesn't represent all the hard working drivers who are suffering economically. Taking the shorts away will not be good.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:45 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

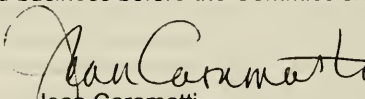
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:58 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:00 A.M.


Jean Caramatti
Commission Secretary

**Air Net Limousine Service &
San Francisco Transportation Services**

1625 Juniper Ave
San Bruno, CA 94066
Office: (415) 309-9797
Fax: (650) 873-9999
TCP #24745

TO: **San Francisco International Airport Commissioner's Meeting**

DATE: Meeting on April 6, 2010

Good Morning Commissioners:

I am Anwar El Shaer. I am the owner and operator of Air Net Limousine Service. I have been in the limousine industry for about 15 years.

- My previous SFO Operating Permit renewals have never been questioned, suspended or denied.
- My application for new SFO Operating Permit in October 2008 was not questioned, suspended or denied.
- My application for new SFO Operating Permit in April 2009 was denied for "past history" and "repeat violator".
- My past history existed with all other Permit renewals and the 2008 application but was never questioned, suspended or denied.
- In 2009 restructuring of my business operations and practices were implemented.
- I had drastic reduction in violations as a result of these new business operations and practices.
- I was advised and instructed by many Airport Personnel to continue business operations. Improvement continued.
- Landside Operations' continued its denial to recognize improvement.
- Landside Operations' delayed the Permit re-consideration process and used a double-standard for applying their authority which demonstrated discrimination, inequality and unfair business practice between me and all Permits having greater "past history" and showed no improvement.

I am requesting the Commission to act upon the following:

1. Review and reconsider the approval of my company's SFO Operating Permit.
2. Investigate Landside Operations for the unequal and unfair practice for permit denials wherein "past history" is or has been used as the direct focus for denied permits.
3. Verify that the records of all Operating Permits bearing "past history" or "repeat violators" are treated the same.

Thank you very much for your time and anticipated assistance with these issues.

Anwar El Shaer
Owner and Operator
Air Net Limousine Service & San Francisco Transportation Services

[Please see the attached Statement and documentation]

**Air Net Limousine Service &
San Francisco Transportation Services**

1625 Juniper Ave
San Bruno, CA 94066
Office: (415) 309-9797
Fax: (650) 873-9999
TCP #24745

TO: **San Francisco International Airport Commissioner's Meeting**
DATE: Meeting on April 6, 2010

STATEMENT OF ANWAR EL SHAER

Dear Commissioners:

I am Anwar El Shaer. I am the owner and operator of Air Net Limousine Service. I have been in the limousine industry for about 15 years.

The San Francisco Airport issues Operating Permits for limousine owners to conduct limousine business at the airport providing there is a Charter-Party (TCP) Certificate in good standing issued by the CPUC.

SFO renews existing permit holders annually providing equipment, insurance, fees and fines are current.

Throughout the years, I have always had my TCP in good standing. I have had my SFO Operating Permit approved and renewed each year without question.

In October 2008, I obtained a new TCP and then applied for another SFO Operating Permit. My application for this SFO permit was approved without question.

In April 2009, I personally suspended my TCP (24316-B) and transferred authority DBA change resulting in TCP (24754-B). This was for corporate restructuring purposes.

During this transition, I submitted an application for a SFO Operating Permit for this transferred-in TCP (24754-B). I was instructed and directed by various members of airport personnel, the GTU, Landside Operations, and Airport Staff, to continue operating my business at SFO while the SFO Permit is in process to this transferred-in TCP.

Months later SFO denied issuing me my Permit. They stated their denial was for my past history as a "repeat violator".

Over the many years operating at SFO I have made violations. However, my history does show that these violations have decreased.

For reconsideration of the denied permit and 2010 renewal, Landside Operations requested me to write a letter explaining how the loss of my SFO Permit would affect my business. I again explained that I have restructured my business operations and practices. Also, the loss of this Permit would severely destroy and ruin my business and the financial losses would be overwhelming to my company and family.

Again, they decided to deny my Permit and said their decision is final. Landside, again, cites "pattern of unacceptable behavior" and added a false allegation as their reasons to uphold their decision to deny.

A clear review of my history would indicate that there have been significantly less violations and a tremendous improvement this year.

All previous Permit renewals have never been questioned, suspended or denied regardless of any past violations. My Permit application in October 2008 was not questioned, suspended or denied regardless of any past violations. However, now that the violations have been drastically reduced and improved, Landside Operations continues to deny my Permit.

My company's drastic change in business operations and practices has demonstrated to Landside Operations a great improvement from the past. Landside's refusal to acknowledge improved operations clearly indicates a biased selection of preferential treatment of limousine operators at SFO and their permit status.

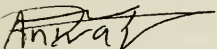
This denied Permit process has unmistakably confirmed an unequal application of the authority to approve, renew or deny operating permits. The process should be applied consistently and equally to all permit holders and not subjectively. The use of "past history" or "repeat violator" as a solid reason for the approval or denial of limousine Operating Permits should not prejudice a company from its demonstrated improvement. The objective is to reduce and/or eliminate any and all violations and to continue an efficient relationship between the limousine industry and the airport.

I am requesting the Commission to act upon the following:

1. Review and reconsider the approval of my company's SFO Operating Permit.
2. Investigate Landside Operations for the unequal and unfair practice for permit denials wherein "past history" or "repeat violator" is or has been used as the direct focus for denied permits.
3. Verify that the records of all Operating Permits bearing "past history" or "repeat violators" are treated the same.

Thank you very much for your time and anticipated assistance with these issues.

Sincerely,



Anwar El Shaer

Owner and Operator

Air Net Limousine Service & San Francisco Transportation Services

[Please see the attached documentation.]



San Francisco International Airport

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

P.O. Box 8097

San Francisco, CA 94128

Tel. 650.821.5000

Fax 650.821.5005

www.flysfo.com

Tel 650.821.6500

Fax 650.821.6508

August 12, 2009

Mr. Anwar El Shaer
Air Net Limousine Service & San Francisco Transportation Services
1625 Juniper Street
San Bruno, CA 94066

Subject: San Francisco International Airport ("Airport") denial of that certain application for an Airport Operating Permit submitted by Air Net Limousine Service & San Francisco Transportation Services

AIRPORT

COMMISSION

CITY AND COUNTY
OF SAN FRANCISCO

Dear Mr. El Shaer:

GAVIN NEWSOM
MAYOR

LARRY MAZZOLA
PRESIDENT

LINDA S. CRAYTON
VICE PRESIDENT

CARYL ITO

ELEANOR JOHNS

RICHARD J. GUGGENHIME

JOHN L. MARTIN
AIRPORT DIRECTOR

On June 12, 2009, the Airport sent written notification to Air Net Limousine Service LLC that it was revoking Airport Operating Permit No. 9027 because the state California Public Utilities Commission had revoked Air Net Limousine Service LLC's Transportation Charter Party ("TCP") Certificate No. 24316-B.

In the same June 12 letter, the Airport informed Air Net Limousine Service LLC of the procedures to apply for a new Airport Operating Permit under the firm's name "Air Net Limousine Service and San Francisco Transportation Services" ("Air Net Limousine") operating under TCP Certificate No. 24754-B. In that same letter, the Airport instructed your firm not operate at the Airport until a new permit was approved. Further, Airport staff verbally provided the same instruction in various in-person meetings between the parties.

Unfortunately, your firm has chosen to ignore the Airport's repeated instructions and warnings by continuing to operate at the Airport without a new permit. For example, between July 15, 2009 and August 6, 2009, the San Francisco Police Department – Airport Bureau had issued you seven (7) admonishments and/or citations at the Airport for various violations including not having a valid waybill. Those actions are violations of the Airports Rules & Regulations and state regulations.

In light of your firm's failure to adhere to the Airport's instructions and flagrant disregard of its rules, the Airport denies Air Net Limousine Service & San Francisco Transportation Services' application for an Airport Operating Permit. Thus, under the Airport's Rules and Regulations and CPUC's General Order 157-D, your firm is not authorized to operate any commercial limousine services on Airport property, e.g. the picking up or dropping-off of pre-arranged customers at any of the Airport's terminal buildings, the use of the Airport's parking facilities in conjunction with your firm's limousine operations.

Mr. Anwar El Shaer

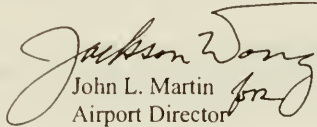
Air Net Limousine Service & San Francisco Transportation Services

Page 2

Please be advised that the Airport will take all necessary actions to bar unpermitted limousine operators from being at the Airport, including the impoundment of your vehicles, if your firm is found to be operating limousine services at the Airport.

Should you have any questions regarding this letter, please contact Henry Thompson, Assistant Deputy Airport Director – Operations Management, at (650) 821-5221.

Very truly yours,


John L. Martin
Airport Director

cc: Suong T. Le, CPUC
Deputy Chief Morris Tabak, SFPD – Airport Bureau
Detective Sergeant Wes Matsuura, San Mateo County Sheriff's Office

**Air Net Limousine Service &
San Francisco Transportation Services**

1625 Juniper Street
San Bruno, CA 94066
Office: (415) 309-9797
Fax: (650) 873-9999

August 31, 2009

CERTIFIED MAIL / RETURN RECEIPT REQUESTED

Henry Thompson, Assistant Deputy Airport Director
Operations Management
Landside Operations
San Francisco International Airport
P.O. Box 8097
San Francisco, CA 94128

Re: Airport Operating Permit
TCP Certificate No. 24754-B

Dear Mr. Thompson:

I have recently received your letter dated August 12, 2009 wherein your office has denied the issuance of an Airport Operating Permit with regards to the above referenced TCP number.

I am writing this letter to you in the hopes that you and your office will reconsider my company's application for an operating permit with your airport.

Unfortunately, there has been a series of misunderstandings and conflicting information.

During the transition of my company's corporate status to an individual status, I authorized the termination of my company's previous TCP number and initiated the transferred TCP number with the California Public Utilities Commission ("CPUC"). My company's previous Transportation Charter Party Certificate No., 24316-B was not "revoked" by the CPUC. The "revocation" of TCP No. 24316-B was by my personal request to voluntarily suspend that TCP Number. (See attached copy of "Request for Voluntary Suspension of Operating Authorities" received by the CPUC stamped April 7, 2009.) The CPUC office confirmed my volunteered revocation with their "Order of Revocation" dated April 24, 2009. (See attached copy of Order of Revocation.)

Your office's information and understanding of the CPUC's procedures was clearly inaccurate. Your letter of August 12th erroneously alludes to implicating my company as to having violated the guidelines of the CPUC. Thereby, prompting the revocation solely and directly by the CPUC. This type of inference is highly prejudicial, misleading and totally wrong.

During this transition, I submitted an application for an Airport Operating Permit under TCP number 24754-B. All requirements of the CPUC continued to be maintained and according to the CPUC were never violated, jeopardized or revoked. (See attached copy of "Class B Charter-

Party Certificate" issued by the CPUC on April 23, 2009.) (Also see attached is a copy of the CPUC's internal report indicating process, compliance and timeline of TCP number 24754-B.)

Throughout the airport operating permit application process with the San Francisco Airport, I was given directions by various valid members of the airport, (i.e., GTU, Landside, and Airport Staff) to continue operating my business as usual. However, I was also given instructions by other members of the airport that my company should halt any business at the airport until receipt of the operating permit.

Since both conflicting and confusing information and instructions were repeatedly given to me by various authoritative airport personnel with regards to operating my business at the airport, I have now been put in a most grievous position. This denial of an operating permit with your airport has now severely jeopardized the operation of my company.

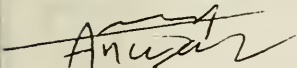
I am the sole income earner for my family. I am an immigrant with no other skills or experience for other employment. In light of the current economic climate, this denial will severely impact my company's survival, and as my only means to earn an income this will also greatly damage my family's survival.

I have been frustrated and considerably confused by the conflicting information and directions given to me by all parties. It is clear that contradictory and inconsistent instructions are given to applicants between the various airport personnel and its operating entities within the airport. Therefore, I wish to express my deepest apology with regards to my continued business operations which were a direct result of the, albeit, conflicting instructions and information by airport parties.

I sincerely request that you and your office reconsider my submitted operating permit application, retract the denial and issue said permit in the hopes that we can begin anew to a better and clearer working relationship.

Thank you very much for your anticipated help and assistance in this seriously grave matter.

Sincerely yours,



Anwar El Shaer
Owner and Operator
Air Net Limousine Service &
San Francisco Transportation Services

AES/Enclosures

cc: John L. Martin, Airport Director (w/enclosures)

REQUEST FOR VOLUNTARY SUSPENSION OF OPERATING AUTHORITIES

NAME OF COMPANY <i>Air Net Limousine Service</i>	PSG NUMBER <i>24316</i>
ADDRESS <i>1625 Juniper Ave</i>	
CITY, STATE, ZIP CODE <i>San Bruno CA 94066</i>	
TELEPHONE NUMBER <i>415 309-9797</i>	

RETURN COMPLETED FORM TO:
CALIFORNIA PUBLIC UTILITIES COMMISSION
LICENSE SECTION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102

09 APR - 7 18
RECEIVED
PUBLIC UTILITIES COMMISSION
LICENSE SECTION

THE UNDERSIGNED REQUESTS THE SUSPENSION OF THE OPERATING AUTHORITIES CHECKED BELOW:

- | | |
|---|---|
| <input type="checkbox"/> CHARTER PARTY "P" PERMIT | <input type="checkbox"/> CHARTER PARTY CLASS "A" CERTIFICATE |
| <input type="checkbox"/> CHARTER PARTY "S" PERMIT | <input checked="" type="checkbox"/> CHARTER PARTY CLASS "B" CERTIFICATE |
| <input type="checkbox"/> CHARTER PARTY "Z" PERMIT | <input type="checkbox"/> CHARTER PARTY CLASS "C" CERTIFICATE |

If you have more than one operating authority, please check EVERY operating authority you want suspended. **NOTE:** The operating authorities will be suspended from the date of receipt of this request through the expiration date of the authority.

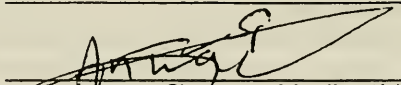
IMPORTANT WARNING

Upon the expiration of the voluntary suspension period, the operating authorities will be subject to revocation unless the suspended authorities are reinstated prior to the revocation date. The law prohibits the granting of consecutive voluntary suspensions.

During the period of suspension, it is unlawful to conduct any for-hire operations requiring operating authority, and *the carrier must continue to file quarterly/annual reports and to remit the minimum \$15 quarterly/annual fees* and respond to Commission information requests. A change of address should be filed with the Commission if your address is changed while in voluntary suspension. Any suspended authority may be reinstated at any time prior to the expiration of the suspension period, provided that you:

1. File a written request for reinstatement (TL528) and equipment list (PL664).
2. File the required evidence of liability insurance coverage.
3. Are not delinquent in the payment of quarterly/annual fees.

Date: 4-07-09


Signature of Applicant(s)

If applicant is a corporation:

Signature of Corporate Officer

Title of Corporate Officer

Update Events

UPDATE
MODETMIS
Update Events

Carrier ID : PSG0024754

Carrier Name ELSHAER ANWAR SAIED

USDOT#:

Primary DBA

AIR NET LIMOUSINE SERVICE AND SAN FRANCISCO TRAI

Other DBA(s)

Event

Type	Event Description ^	Period	Event Date	Assigned To		Auth Code	Chl Co
PDBACHNG	Primary DBA Changed		05-22-2009	EXQ	Edward Quon		
PDBACHNG	Primary DBA Changed		05-21-2009	EXQ	Edward Quon		
ACTVTRIP	Passenger Authority Transfer In		04-23-2009	CG1	Corazon Guevara	TCPB	
NAMECHNG	Carrier Name Changed		02-24-2009	CG1	Corazon Guevara		
PENDTRIP	Pending Transfer Passenger Application		02-13-2009	FBW	Frank B Walker	TCPB	

Generate Report

Number of deleted events for this carrier: 0

Additional Information^

Primary DBA changed from AIR NET LIMOUSINE SERVICE AND SAN TRANSPORTATION SE

Comments^

^ Double click on field to view/enter text

916-657-
6348

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102
INSURANCE UNIT: (415) 703-1244
ACCOUNTING UNIT: (415) 703-1751
(415) 703-1752

PSG0024316

41

24754

AIR NET LIMOUSINE SERVICE
ATTN: ANWAR S ELSHAER
1625 JUNIPER AVENUE
SAN BRUNO, CA 94066

Charter Party

TCP024316B

ORDER OF SUSPENSION

The operating authority(s) listed above is suspended if not otherwise expired effective April 1, 2009 for the following reason:

Failure to Maintain Adequate Insurance

PL and PD Policy# LINS001538

Unless the deficiency cited in this notice is corrected by June 30, 2009 the suspended operating authority(s) will be revoked unless otherwise in voluntary suspension for which insurance need not be maintained. The revocation will be deferred for certificate of public convenience and necessity or a household goods carrier permit if the Commission is advised before the revocation date a hearing is desired.

YOU ARE HEREBY DIRECTED NOT TO OPERATE UNLESS AND UNTIL YOUR COMMISSION OPERATING AUTHORITY IS REINSTATED. Any carrier which operates during the period of suspension of its operating authority(s) is guilty of a misdemeanor which is punishable by a fine of \$1,000.00 or imprisonment of up to three months, or both.

Dated April 1, 2009 at San Francisco California.

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA

NOTE: Other unresolved suspension reasons are listed below. Failure to correct these deficiencies will result in revocation or your operating authorities.

ORIGINAL

PUBLIC UTILITIES COMMISSION --
STATE OF CALIFORNIA
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102

PSG0024316

41

AIR NET LIMOUSINE SERVICE
ATTN: ANWAR S ELSHAER
1625 JUNIPER AVENUE
SAN BRUNO, CA 94066

Charter Party

TCP024316B

ORDER OF REVOCATION

The OPERATING AUTHORITY(S) LISTED ABOVE IS REVOKED IF NOT OTHERWISE EXPIRED effective April 23, 2009 for the following reason:

Transfer Out Passenger Carrier Authority

Any carrier which operates with revoked operating authority(s) is guilty of a misdemeanor which is punishable by a fine of up to \$1,000 or imprisonment of up to three month, or both.

NOTE: FOR CHARTER-PARTY CARRIERS, ALL LIVERY LICENSE PLATES MUST BE RETURNED TO THE COMMISSION IMMEDIATELY UPON REVOCATION OF YOUR OPERATING AUTHORITY.

YOU MAY REQUEST REINSTATEMENT OF YOUR AUTHORITY WITHIN 90 DAYS OF REVOCATION BY FILING A WRITTEN REQUEST FOR REINSTATEMENT ACCOMPANIED BY THE APPROPRIATE FILING FEE. IF REVOKED FOR NON-EXERCISE OF OPERATING AUTHORITY(S) FOR A PERIOD OF ONE YEAR, A NEW APPLICATION IS REQUIRED.

Dated April 24, 2009 at San Francisco California.

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA

PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

CLASS B CHARTER-PARTY CERTIFICATE

EXPIRES ON APRIL 23, 2012 - SEE PARAGRAPH (11)

CERTIFICATE NO. TCP0024754 - B

ANWAR SAIED ELSHAER
AIR NET LIMOUSINE SERVICE
1625 JUNIPER AVE
SAN BRUNO CA 94066

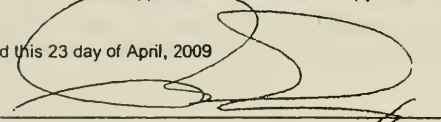
41

TERMINAL 1625 JUNIPER AVE SAN BRUNO CA 94066

Authorization for transfer of the above certificate having been granted, said certificate is hereby transferred and reissued in the name of the transferee (designated herein as "Carrier") authorizing the transportation of passengers by motor vehicle over the public highways of the State of California as a CHARTER-PARTY CARRIER OF PASSENGERS, in accordance with the Public Utilities Code and subject to the following conditions:

- (1) This certificate is issued pursuant to Public Utilities Code Section 5383, and said Carrier shall operate from a radius of no more than 125 air miles from the home terminal to any point in the state. This mileage restriction applies only to vehicles seating 10 or fewer, including the driver.
- (2) No vehicle or vehicles shall be operated by said Carrier unless adequately covered by a public liability and property damage insurance policy or surety bond as required by Public Utilities Code Section 5392.
- (3) Said Carrier shall comply with all Commission orders, decisions, rules, directions, and requirements governing the operations of said Carrier including General Order Series 115 and 157 and shall remit to the Commission the Transportation Reimbursement Fee required by Public Utilities Code Section 403.
- (4) All vehicles operated under this certificated authority shall comply with the requirements of the Motor Carrier Safety Section of the California Highway Patrol. No vehicle shall be operated unless it is named in the Carrier's most recent equipment list on file with this Commission. Written amendments to the equipment list shall be filed within ten days of the date the vehicle is put into or pulled out of service.
- (5) This certificate is subject to amendment, modification, suspension or revocation as provided in the Public Utilities Code and in Commission Resolutions PE-498, PE-501, and TL-18336.
- (6) This certificate may not be sold, assigned, leased, or otherwise transferred or encumbered without Commission authorization.
- (7) This certificate does not authorize the Carrier to conduct operations on the property of or into any airport unless such operation is authorized by the airport authority involved.
- (8) This certificate does not authorize round-trip sightseeing tour service.
- (9) The use of top lights and/or taxi meters in all vehicles operated under this certificate is prohibited (D 82-05-069).
- (10) Relocation of terminal is permitted upon notification to the Commission. However, any relocation and/or addition of terminal outside the 125-air mile limit requires a new certificate and 30-day notice/publication.
- (11) **This certificate expires APRIL 23, 2012.** It may be renewed every three (3) years upon submission and approval of a renewal application. **This renewal application should be submitted 90-days prior to the expiration date.**

Dated this 23 day of April, 2009

BY 
Richard Clark
Director, Consumer Protection and Safety Division

Air Net Limousine Service &
San Francisco Transportation Services

1625 Juniper Street
San Bruno, CA 94066
Office: (415) 309-9797
Fax: (650) 873-9999
TCP #24745

January 11, 2010

HAND DELIVERED TO LANDSIDE OPERATIONS

Henry Thompson
Assistant Deputy Airport Director
Operations Management
Landside Operations
San Francisco International Airport
P.O. Box 8097
San Francisco, CA 94128

Re: 2010 San Francisco Airport Operating Permit
TCP No. 24745

Dear Mr. Thompson:

Per your request, I am sending this letter to request that Landside Operations reconsider the denial of my company's airport operating permit renewal and issuance for 2010.

As we have discussed, many changes to my business operations within my company were considered necessary and appropriate. As a result, I have put into action many operational and administrative changes during the last quarter of 2009.

Without the issuance of my company's renewed operating permit, I will undergo severe damage and hardship. Such impairment will severely affect our company's ability to provide continued service at the San Francisco Airport to our clients, some of whom have been with my company for the past fourteen years. This will result in the deterioration of my business and its services, thereby resulting in such financial losses that would be devastating and unrecoverable.

As my family's sole supporter, this hardship would be overwhelming and would prohibit my ability to provide for my wife and children. This would cause great distress for all to needlessly suffer.

I would implore your office to reconsider and allow my company to prove the success of our company's restructured business operations and practices we have recently enacted. Furthermore, I am willing to work with you and your office in order to meet the requirements you deem necessary to obtain the operating permit renewal for 2010.

Henry Thompson
Assistant Deputy Airport Director
Operations Management
Landside Operations
Page 2

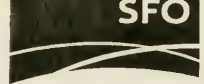
I earnestly request that you and your office reconsider my 2010 operating permit in light of the above information.

Thank you very much for your anticipated help and assistance in this grave and important matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anwar', followed by a long horizontal line extending to the right.

Anwar El Shaer
Owner and Operator
Air Net Limousine Service &
San Francisco Transportation Services



San Francisco International Airport

January 12, 2010

P.O. Box 8097
San Francisco, CA 94128
Tel 650.821.5000
Fax 650.821.5005
www.flysfo.com

Mr. Anwar El Shaer
Air Net Limousine Service &
San Francisco Transportation Services
1625 Juniper Street
San Bruno, CA 94066

Dear Mr. El Shaer:

I am in receipt of your letter, dated January 11, 2010 requesting reconsideration of the denial of an Airport Operating Permit at the San Francisco International Airport.

As I have explained to you on several occasions, possession of an Airport Operating Permit requires that you adhere to all terms and conditions of that permit and the Airport's Rules and Regulations and you must do so at all times when operating on Airport property. You have failed to meet this obligation and as a result have become known as a repeat violator of the Airport's Rules and Regulations by the San Francisco Police Department, Airport Bureau (SFPD-AB) Officers, particularly those assigned to enforce ground transportation regulations.

I have personally met with you on at least two occasions and have discussed your pattern of unacceptable behavior and have given you ample opportunity to correct your behavior and due consideration in the issuance of an Airport Operating Permit in the past. You were given fair warning that continued violations would result in the revocation of your permit yet you failed to fully comply.

I am notified that as recently as this past weekend you were on Airport Property and cited for not having an Airport Operating Permit, no waybill and no company ID, all clear violations and both CPUC and Airport Regulations. This conduct signals to me that you are continuing to operate at the Airport in clear defiance of the Rules and Regulations and without regard for doing what is right. Your actions are not only a clear public safety concern but also an unfair business practice for those operators who do comply fully with the system.

After reviewing your appeal and giving your comments due consideration, given that you continue to operate in violation of your CPUC authority and Airport Rules and Regulations, combined with the increased enforcement action the Airport is undertaking, I must uphold the decision to not issue you an Airport Operating Permit.

AIRPORT
COMMISSION
CITY AND COUNTY
OF SAN FRANCISCO

GAVIN NEWSOM
MAYOR

LARRY MAZZOLA
PRESIDENT

LINDA S. CRAYTON
VICE PRESIDENT

CARYL ITO

ELEANOR JOHNS

RICHARD J. GUGGENHIME

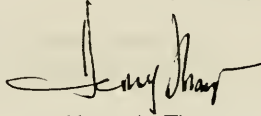
JOHN L. MARTIN
AIRPORT DIRECTOR

Mr. Anwar El Shaer
December 12, 2010
Page 2

I would encourage you to focus your companies business outside of San Francisco International Airport (SFO) where an Operating Permit is not required as the SFPD-AB will cite you for any and all violations of State and local laws, and SFO Rules and Regulations.

I regret this is the only decision that can be made but this decision is final.

Yours respectfully,

A handwritten signature in black ink, appearing to read "Henry L. Thompson". The signature is fluid and cursive, with a large initial "H" and "T".

Henry L. Thompson
Assistant Deputy Airport Director
Operations and Security

cc: Michael Leon-Guerrero, Deputy City Attorney
Abu Azam, Landside Operations
Dan Wong, Landside Operations
Sgt. John Robertson, SFPD-AB

*Air Net Limousine Service &
San Francisco Transportation Services*

*1625 Juniper Ave
San Bruno, CA 94066
Office: (415) 309-9797
Fax: (650) 873-9999
TCP #24745*

April 6, 2010

HAND DELIVERED TO LANDSIDE OPERATIONS

Henry Thompson
Assistant Deputy Airport Director
Operations Management
Landside Operations
San Francisco International Airport
P.O. Box 8097
San Francisco, CA 94128

Re: Citation #94-202234
TCP No. 24745

Dear Mr. Thompson:

This letter is being sent to you to address the issuance of citation #94-202234 and its alleged allegations.

When this citation was being issued, I tried to explain the circumstances for my presence at SFO. I was immediately denied the opportunity by the issuing officer.

I feel it is of great importance for you to be advised of the circumstances and surrounding issues for my presence at SFO which resulted in the issuance of the above reference citation, as well as, the necessity for clarification in the alleged accusation stated in your January 12, 2010 letter to me.

On Saturday, January 9, 2010, I was notified of a family crisis in San Diego requesting my assistance. I telephoned Southwest Airlines and placed a reservation for departure that day. I was told to arrive at the airport to purchase the ticket and board the reserved flight.

While I was driving to SFO 's parking garage to park my car, I was cut-off from the left from another vehicle which forced me to drive into the lower level lanes of roadway. In order to return to the parking garage entrance, I had to continue to drive through the left side of the island lanes of roadway (lanes closest to the parking garage building—taxi side). As I drove past

Terminal 1, a motorcycle officer cut through the drive-through island break to stop me. Officer Hayes directed me to stop at the taxi side curb across from the public roadway by Delta Airlines. Officer Hayes called to GTU to send another officer to handle this stop.

Officer Jessie Pinon arrived and began to write-up his citation (referenced above) for various airport infractions. I tried to explain to Officer Pinon that I was not conducting airport business and to explain what happened to me when I was approaching the parking garage to purchase my airline ticket but he immediately cut-off the conversation.

After Officer Pinon handed the citation to me, I noticed that he had falsely indicated the location to be at the "public" curb side of Terminal 1 and not where I was sitting, which was at the taxi-side curb (roadway closest to parking garage building).

As I continued to drive through to get to the outside turnaround, I decided to leave the airport and get someone to drive me back for my airline ticket so that the same wrong assumption would not happen again.

I got a ride back to the airport, purchased my Southwest airline ticket at the counter and quickly went to the Airport Police Department Office to address the citation. When I got to the Airport Police Department Office I was told to "go away and take it up with the Courts."

This entire sequence of events was aggravating and extremely upsetting that I was unable to take the flight and to be of any help for my family in San Diego. I had my wife call Southwest to cancel my reservation and refund the ticket.

I have taken the time here to make it very clear to you and your office that at no time was I at the airport conducting any form of business. It is important to note that your allegations that the conduct of January 9th was in no way an indication of "clear defiance" or a disregard for "doing what is right."

It would appear that I have been the subject of particular scrutiny. My reason for being at the airport was of a personal nature to simply purchase an airline ticket and take a flight. However, my facial recognition elicited an immediate assumption of wrongdoing and culminated into unwarranted action by the airport police officer.

There is a clear indication of prejudicially biased behavior on the part of the airport police personnel and Landside Operations to simulate a violation when there was absolutely none. It is understandable for some people to err on the side of caution, however, this was a blatant form of prejudice and personal harassment.

This uncalled for experience could have easily been avoided by the simple taking of a couple of minutes of dialogue by Officer Hayes or Officer Pinon but instead a biased profile ignited a rash sequence of events.

Henry Thompson
Landside Operations
April 6, 2010
Page 2

I would hope that upon reading this letter and review of its attachments that you would retract your derogatory allegation as stated in your letter of January 12, 2010.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anwar', with a long, sweeping horizontal stroke extending to the right.

Anwar El Shaer
Owner and Operator
Air Net Limousine Service & San Francisco Transportation Services

Attachments

SAN FRANCISCO POLICE DEPARTMENT
AIRPORT BRUNO

NOTICE TO APPEAR

☐ Traffic

☒ Misdemeanor
☒ Nontraffic

94-202234

Date of Violation

Time

Day of Week

Case No.

Name (First, Middle, Last)

☐ Owner's Responsibility (Veh. Code, § 40001)

Address

City

State

ZIP Code

Vehicle No.

State

Class

Age

Birth Date

☐ Juvenile (Phone No.)

Sex

Height

Weight

Other Description

Color

Other Description

Other Description

Year of Vehicle

Make

Model

Body Style

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ISSUED BY AND VALID ONLY ON
SOUTHWEST AIRLINES*

ITINERARY / RECEIPT

DATE: 09JAN10
CONFIRMATION NUMBER: QIFWFB
AGENT: SF0K05

ITINERARY

From	To	Flight	Date	Time
SFO	SAN	3050	09JAN	0410P
SAN	SFO	248	10JAN	0820A

RECEIPT

Customer Name
ELSHAER/ANWAR

Base fare	Fees/Taxes	Total
299.54	43.86	343.40

GRAND TOTAL

299.54	43.86	343.40
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SAN FRANCISCO POLICE DEPARTMENT
AIRPORT BUREAU

NOTICE TO APPEAR ☐ Traffic ☒ Misdemeanor ☐ Felony

94-202234

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SOUTHWEST AIRLINES

ITINERARY / RECEIPT

DATE: 09JAN10
CONFIRMATION NUMBER: Q1FWFB
CITY: SFOK05

ITINERARY

m	To	Flight	Date	Time
0	SAN	3050	09JAN	0410P
1	SFO	248	10JAN	0820A

RECEIPT

Customer Name	Base fare	Fees/Taxes	Total
ELSHAER/ANWAR	299.54	43.86	343.40

GRAND TOTAL

299.54 43.86 343.40

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SOUTHWEST AIRLINES

BOARDING PASS

ELSHAER / ANWAR

FLIGHT 3050

GATE 23
(Subject to Change)

JAN 09
PNR: Q1FWFB

FROM	TO	FLT#	TIME	FB
SFO	SAN	3050	4:10 PM	Y

Boarding Group

C

Position

29

Southwest Airlines 15
Open Seating

ELSHAER / ANWAR
PNR: Q1FWFB
JAN 09
3050 SAN FRANCISCO, CA
to SAN DIEGO, CA

00000477108170

C

29

RETAIN RECEIPT FOR FLIGHT

12

SFOK05

ISSUED BY AND VALID ONLY
SOUTHWEST AIRLINES

BOARDING PASS

ELSHAER / ANWAR

FLIGHT 248

CHECK MONITORS
FOR GATE NUMBER

JAN 10
PNR: Q1FWFB

FROM	TO	FLT#	TIME	FB
SAN	SFO	248	8:20 AM	Y

Boarding Group

A

Position

46

Southwest Airlines 46
Open Seating

ELSHAER / ANWAR
PNR: Q1FWFB
JAN 10
248 SAN DIEGO, CA
to SAN FRANCISCO, CA

00000477108170

A

46

RETAIN RECEIPT FOR FLIGHT

46

SFOK05



Prepared for ANWAR ELSHAER

Account Number [REDACTED]

February 2010 Statement

Credit Line. [REDACTED]

Cash or Credit Available. [REDACTED]

Account Information

Summary of Transactions

Previous Balance	\$896.27
Payments and Credits	\$1,282.40
Purchases and Adjustments	\$363.40
Periodic Rate Finance Charges	\$0.00
Transaction Fee Finance Charges	\$0.00

New Balance Total \$22.73 CR

Billing Cycle and Payment Information

Days in Billing Cycle	29
Closing Date	02/03/10
Payment Due Date	03/02/10
Current Payment Due	\$0.00
Past Due Amount	\$0.00
Total Minimum Payment Due	\$0.00

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LOS ANGELES, CA 90030-1200

Make Billing Inquiries to:

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P.O. BOX 15026

WILMINGTON, DE 19850-5026

Transactions

	Promotional Offer ID	Posting Date	Transaction Date	Reference Number	Account Number	Amount
Payments and Credits						
CA BANKING CENTER PAYMENT		01/21				100.00 CR
CA BANKING CENTER PAYMENT		01/21				800.00 CR
SOUTHWESTAIRS262174952 DALLAS TX		01/23		7764	1307	343.40 CR
OVERLIMIT FEE ADJUSTMENT		01/28	01/28	0441		39.00 CR
Purchases and Adjustments						
SOUTHWESTAIRS262174952 DALLAS TX		01/11	01/09	0235	1307	171.70
LSHAER/ANWAR 01/09 SFO/SAN RNDTRP SAN/SFO						
SOUTHWESTAIRS262174952 DALLAS TX		01/11	01/09	0201	1307	171.70
LSHAER/ANWAR 01/09 SFO/SAN ONEWAY						
SFO PARKING CENTRALQ96 SAN FRANCISCO		01/12	01/10	0058	1307	2.00
INION 76 10095941 SAN BRUNO CA		01/15	01/13	2332	1307	18.00

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ANWAR ELSHAER
1625 JUNIPER AVE
SAN BRUNO CA 94066-2919

☐ Check here for a change of mailing address or phone number(s).
Please provide all corrections on the reverse side.

Payment Information

ACCOUNT NUMBER: [REDACTED]

NEW BALANCE TOTAL: \$22.73 CR

PAYMENT DUE DATE: 03/02/10

TOTAL MINIMUM
PAYMENT DUE
\$0.00

Enter Payment Amount Enclosed.

\$

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SAN FRANCISCO AIRPORT COMMISSION



MINUTES

April 20, 2010

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

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SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Meeting of
April 20, 2010

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
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B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES:		
		Regular meeting of April 6, 2010	10-0153	4
D.		ITEMS INITIATED BY COMMISSIONERS:		4-5
E.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	1.	Approve Airport's Five Year Financial Plan	10-0154	5-6
	2.	Award Contract 8577R - Terminal 1 Carpet Replacement - Golden State Carpet Service	10-0155	6
	3.	Establish Shortlist of Prequalified Design-Build Firms for Contract 8974A, Boarding Area E Refurbishment, and Authorize RFPs	10-0156	7-8
	4.	Establish Consultant Pool list of Prequalified for Project Management Support Services	10-0157	8-9
F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	5.	Award Professional Services Agreement - Contract 8974.1 - Boarding Area E Baggage Handling System and Passenger boarding Bridge Improvements Design & Integration	10-0158	9-10
	6.	Select Consultant - Contract 8974.2 - Airport- Wide As-Needed Baggage Handling System and Passenger Boarding Bridge Improvements Design and Integration - BNP Associates	10-0159	10
	7.	Modification No. 2 - Professional Services Contract - Gerchick Murphy Assoc. to Provide Continued International Aviation Development Services	10-0160	10
	8.	Commence Competitive Selection Process for Terminal 3 Bookstore Lease	10-0161	10
	9.	Modification No. 5 to Holland and Knight Contract for On-Going congressional Advocacy in Washington, D.C.	10-0162	10-11

G.	NEW BUSINESS: Elimination of Taxi Shorts	11-15
H.	CORRESPONDENCE:	15
I.	CLOSED SESSION: Potential Litigation	4
J.	ADJOURNMENT:	15

AIRPORT COMMISSION MEETING MINUTES
April 20, 2010

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:05 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Linda S. Crayton, Vice President
	Hon. Caryl Ito
	Hon. Eleanor Johns
	Hon. Rich Guggenheimer

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of April 6, 2010 were adopted unanimously.

No. 10-0153

* * *

K. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:09 AM and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:25 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was moved by Commissioner Guggenheim and seconded by Commissioner Crayton. The vote to approve was unanimous.

1. Approval of the Airport's Five Year Financial Plan

No. 10-0154

Resolution approving the Airport's Five-Year Financial Plan.

Mr. Leo Fermin, Deputy Director, Business and Finance, explained that as a result of a voter approved initiative, all enterprise departments have been requested to submit five-year financial plans to the Mayor and the Board of Supervisors. Our five-year financial plan uses as a starting base the operating budget and the capital plan which the Commission previously approved. The financial plan is a living document used for planning purposes at the Airport. We will adjust on an ongoing basis to reflect changes in the Airport's financial outlook. There will likely be adjustments to the plan when it is submitted to the Board of Supervisors to reflect adjustments to salaries and fringes by the Controller's office and other technical adjustments to next year's budget. The financial plan contains several elements. It describes the financial governance of the Airport, it's residual rate making structure, strategic focus, and major challenges. It explains the unique nature of the annual service payment. It shows the five year air traffic forecast. Enplanements are forecasted to increase from \$18.2 million in FY08/09 to \$21 million in FY14/15. The financial plan also describes the various revenues and expenses of the Airport and the elements that were used for the forecast over the five year period. And finally, the financial plan also briefly describes the current five year plan as approved by the Airport Commission. This five year plan results in the following:

- It achieves a balanced budget during the five year forecast period;
- It generates debt service coverage of 1.38 or more each year. This exceeds the 1.25 requirement in our master bond indenture;
- The forecast also provides for funding for Airport priorities and strategic initiatives and;
- Finally, most importantly it achieves the CPE goal. CPE is forecast to be \$18.32 or less each year in constant dollars over the five year period, which is below the \$18.90 limit established by the Airport Director.

Commissioner Ito noted that page 9 indicates that we have surplus and asked how that gets applied in future years back to the Airline.

Mr. Fermin explained that when we set rates and charges each year, we forecast what our revenues will be and what our expenses will be and that is used as the basis for determining the airline requirement, what we need to collect from the airline in rates and charges. Then, once the year actually ends and we get the true expenses and the true revenues, there maybe a deficit or a surplus. If there is a surplus, we then credit that back to the airlines in future years. It's an ongoing

adjustment of our forecast to actual results.

Commissioner Ito assumed that we are not required to do it all in one budget year.

Mr. Fermin responded that it is over two years.

Commissioner Ito assumed that going into 09/10 we have \$32.8 million deferred for revenue surplus and that will spread out over two years ... and that's good news.

Mr. Fermin responded that it is good news.

Commissioner Ito said that she commented to the Director that the news was not very accurate and, unfortunately, the public was being misinformed with some inaccurate data about what we're going to decide this morning. That it would result in other increases in cost to our passengers. We need to be clear here this morning that we're in very good shape and that passengers should not be fearful.

Mr. Fermin agreed that we're in very good financial shape. He ventured to say that with the flight cancellations, we'll probably see a spike in concession revenues ... food and beverage and retail sales.

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

2. Award of Airport Contract 8577R - Terminal 1 Carpet Replacement - Golden State Carpet Service, Inc. - \$1,444,789

No. 10-0155	Resolution awarding Contract 8577R, Terminal 1 Carpet Replacement, to the lowest responsive, responsible bidder, Golden State Carpet Service, Inc., in the amount of \$1,444,789.
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Mr. Jackson Wong, Chief Operating Officer and Acting Deputy Director for Facilities, said that the item before the Commission today is award of Contract No. 8577R, Terminal 1 Carpet Replacement to the lowest, responsive, responsible bidder, Golden State Carpet Service, Inc. in the amount of \$1,444,789. The purpose of this project is to replace the existing worn and deteriorated carpet in the public areas of the first and second levels of Terminal 1, including Boarding Areas B and C. We received four bids on March 26, 2010, there were no protests on this award. Adryl Construction and Development Corp. was the apparent low bidder, however, Adryl failed to satisfy the experience and qualification requirements. Airport staff subsequently reviewed the bid submitted from Golden State Carpet Service, Inc., the next apparent low bidder, and found it responsive in all ways. Golden State Carpet has satisfied the LBE subcontract participation goal for this contract of 4%. Staff recommends the award of this contract to Golden State Carpet Service, Inc.

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

3. Establish a Shortlist of Prequalified Design-Build Firms for Contract 8974.A, Boarding Area E Refurbishment, and Authorize a Request for Proposals

No. 10-0156

Resolution approving Selection Panel's recommendation establishing a shortlist of prequalified design-build firms for Contract 8974.A - Boarding Area E Refurbishment, and authorizing the Director to issue a Request for Proposals.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction, said that this item requests Commission approval of a shortlist of prequalified firms and authorize the RFP for the design-build services for the Boarding Area E refurbishment.

This project will provide for a significant level of improvement to B/A E after American Airlines is relocated into Terminal 2 after its completion. This gives us the opportunity to prepare the facility and refresh it for the new tenants that will be moved into B/A E. The budget presented to the Commission previously was \$15-million and since that time we've elected to add International Terminal type infrastructure scope to the project to be consistent with the special systems infrastructure going into the Terminal 2 project. We've also elected to include the design of the baggage handling system and passenger boarding bridges bid package and assign it to this contractor to ensure successful coordination of all of that work with the base contract. With those adds, we are proposing a revised total estimate for this contract of \$22 million.

In response to the RFQ, we received 10 statements of qualifications (SOQs) from design built teams. All teams were determined to have met the minimum qualifications to participate. We convened a four member selection panel to review the SOQs. They reviewed and ranked the firms accordingly, in accordance with the criteria stated in the RFQ. As stated in the RFQ, the Airport may recommend up to five firms to participate in the next phase of the procurement which is the RFP phase. Given the quality of the SOQs and the number of firms that submitted SOQs we are recommending that the Commission approve five firms to be shortlisted for the RFP.

The five firms that we are recommending are Hensel Phelps Construction with KPA; Turner Construction with PGH Wong; Hunt Construction with Gerson Overstreet; Walsh Construction with Jacobs Consultancy; and Swinerton Builders with Burns and MacDonald.

For the RFP phase, all firms will submit proposals consistent with the RFP documents which we will issue shortly. We will again convene our selection panels to review the proposals and conduct interviews with the firms and key personnel. This phase of the evaluation is based on the team providing best value in accordance with the Design Build Ordinance. The cost component will evaluate the general conditions proposed by the general contractor, the fixed design fee and then the markup that will apply to all subcontracted scope. The qualifications component of the evaluation will be based on prior project experience, relevant experience and qualifications and expertise of key personnel and the proposed management approach on the project. Following evaluation and scoring, we will

return to the Commission with a recommendation to award to the highest rank proposer. We will work with the HRC to develop the LBE subcontractor participation goals. We'll also include in the RFP the LBE and San Francisco-based firm participation program where we encourage greater participation by LBEs and San Francisco-based firms as we are doing in the Terminal 2 project and is proving effective with the Terminal 2 project. Funding will be provided from the Airport's Five Year Capital Improvement Program.

Commissioner Crayton asked if Hunt Construction was a new group.

Mr. Satero responded that they are not.

Commissioner Crayton asked if they have done work at the Airport before.

Mr. Satero responded that they have not worked at SFO, nor have two of the other firms, but they have Airport experience. They are a large firm.

Mr. John Martin, Airport Director, said that there are two Hunt Construction Companies. This is a national firm.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Establish a Consultant Pool List of Prequalified Firms for Project Management Support Services

No. 10-0157

Resolution approving the Selection Panel's recommendation establishing a consultant pool list of prequalified firms for Project Management and Construction Management Support Services for projects in the Airport's 5-Year Capital Improvement Program.

Mr. Satero noted that the Commission should have a replacement Page 2. There is no change in the scoring ... the error was the firms that received the LBE rating bonus. I corrected the firms that were eligible to receive the LBE rating bonus.

We recommend approval of the shortlist of seven prequalified firms to provide project and construction management support to projects of the Airport's Five Year Capital Improvement program. We also recommend that you authorize staff to issue RFPs to the approved shortlist for project needs as they arise. In response to this RFQ for as needed PM/CM support services, we received 14 Statements of Qualifications (SOQ) from interested firms. We did our initial review of all the SOQs and determined that three firms did not meet the minimum qualifications. The 11 remaining SOQs were scored by our three member selection panel based on the criteria contained in the RFQ and were ranked accordingly. As contained in the RFQ, the Airport may recommend up to seven firms to be included in the pool list of prequalified firms. Again, due to the quality of these submittals and the number of firms submitting, we are recommending that the Commission approve all seven

firms to be included in the pool list.

The seven top scoring firms are the Allen Group in joint venture with Cornerstone; URS in joint venture with ECS; F.E. Jordan in joint venture with Hill; PGH Wong Engineering, EPC in joint venture with CM West; AECOM and PMA in joint venture with NBA. Several of the firms were eligible and did receive the LBE rating bonus for LBE participation at the prime level.

As needs arise for PM and CM services on the Airport's five year projects, we will issue RFPs to the entire panel and again convene a three member selection panel to review the proposals, and conduct interviews with the firms and the key personnel, particularly, for the more complicated scopes of services and for projects that require the full suite of construction management services. Based on the results of the scoring, the interviews and the proposals combined, we will return to the Commission with a recommendation to approve the selection of the highest ranked proposer and authorize negotiations with that firm. Following successful negotiations we will return to the Commission with a recommendation to award a professional services agreement. We are committed in this process to using an integrated team approach, similar to T2 where we use Airport staff, construction management staff and other City staff as available, and we will identify positions as we issue RFPs that can be fulfilled by using Airport staff. This has been successful in the Terminal 2 project. We like that model and we will continue to use it.

We have worked with HRC to develop an 18% LBE subcontractor participation goal for all contracts to be awarded under this pool list. With approval of this resolution we will issue an RFP for CM services for the Boarding Area E refurbishment program so we can properly support that program as it is moving forward on a very fast track basis. The estimated value for that contract is \$1- million.

Commissioner Ito asked if being on this pool list will create a problem for them to compete to be on larger projects.

Mr. Satero responded that being on the pool list won't create a problem. If there are tasks that may create a conflict of eligibility, we would work with the City Attorney's Office and provide the best information we can about a potential conflict if they choose to participate in a task. There is precedence with a PUC contract where a conflict existed. We will identify tasks that may subject them to be ineligible. Ultimately it's the contractor's responsibility to confirm whether there is a conflict of eligibility, but we will do our best.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item nos. 5 through 9, was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

5. Award of Professional Services Agreement for Contract 8974.1 - Boarding Area E Baggage Handling System and Passenger Boarding Bridge Improvements Design and Integration - CAGE, Inc. - \$1,615,883

No. 10-0158

Resolution awarding Professional Services Agreement for Contract 8974.1, Boarding Area E Baggage Handling System and Passenger Boarding Bridge Improvements Design and Integration to CAGE, Inc., in an amount not to exceed \$1,615.883.

6. Selection of Consultant for Contract 8974.2 - Airport-Wide As-Needed Baggage Handling System and Passenger Boarding Bridge Improvements Design and Integration - BNP Associates, Inc.

No. 10-0159

Resolution approving the selection of BNP Assoc., Inc. as the highest ranked proposer, and authorizing the Director to enter into negotiations and prepare a professional services agreement for Contract 8974.2, Airport-Wide As-Needed Baggage Handling System and Passenger Boarding Bridge Improvements Design and Integration.

7. Modification No. 2 to Professional Services Contract with Gerchick Murphy Associates to Provide Continued International Aviation Development Services - \$125,000

No. 10-0160

Resolution approving Modification No. 2 to Professional Services Contract with Gerchick Murphy Assoc. to extend the term of the agreement for two years and to increase the amount by \$125,000 per year for a new total not to exceed amount of \$655,000 for continued International Aviation Development Services; all other terms and conditions of the contract remain in full force and effect.

8. Authorization to Commence the Competitive Selection Process for the Terminal 3 Bookstore Lease

No. 10-0161

Resolution approving the proposed minimum, qualification requirements and lease specifications, and authorizing staff to commence the competitive selection process for the Terminal 3 Bookstore Lease through a Request for Proposal process.

9. Modification No. 5 to the Holland & Knight Contract for On-Going Congressional Advocacy in Washington, DC - \$75,000

No. 10-0162

Resolution approving Modification No. 5 to the

Holland & Knight contract for on-going Congressional Advocacy Services in Washington, D.C. and extending the contract term for one year (July 1, 2010 to June 30, 2011) and increasing the total contract amount by \$75,000.

* * *

G. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Commissioner Mazzola. We have approximately 40 people who want to speak. Is there a way we can cut the speakers down a little bit. If you're all want testify to the same thing is there a way we could give you ten minutes, pick a couple of speakers, or would you rather not? You have the right, I'm only asking. Okay we're gonna do it, one minute at a time. One minute each, that the best way we can do here, we got a bunch of people here. Alright, so Mark I got you first.

Mr. Mark Gruberg, United Taxi Cab Workers, said that there's a plan that has been promulgated by Airport staff to terminate the shorts system at the Airport that's been in effect for more than 40 years. This was done suddenly and precipitously with virtually no notice to the industry. This is going to affect cab driver's ability to earn a living. It's going to affect the service to the public and it's going to affect the Airport itself. Our concerns have not been heard. We want an opportunity to put forward our own ideas, to be heard in this, to be able to participate rather than have a plan dictated to us by the Airport without any input from the industry. We want to work with you, we want to be able to preserve the current system, and we ask you to call a hearing on this, and to open this up so that we are not simply being pushed aside and told that we cannot keep this system that we think is of great value.

Commissioner Mazzola said that Mr. Martin just told him that a hearing can be arranged. You can organize speakers and present your issues. He asked Mr. McCoy to work with Mr. Gruberg to arrange a date.

Mr. Gruberg responded that we will form a group of drivers as an organizing committee and we will be happy to meet with you.

Mr. Martin said that he felt it would help if you have an organizing committee and then we will publicly notice a meeting in the taxi area so everyone knows where it's going to be. We can do it at the Airport or City Hall, whichever is more convenient, and then let every taxi driver know about it. Having an organizing committee is a great way for us to be able to communicate.

Commissioner Mazzola said that it will be more productive.

Mr. Gruberg said that we wanted to make sure that we are going to be heard. This is

supposed to go into effect on July 1st so the sooner the better, please.

Commissioner Mazzola asked if we can cancel these speakers today.

Mr. Gruberg said that we are going to have a further opportunity to have a public hearing, and everyone will have the right to speak, but this is not the session and forum where it's going to be decided.

Commissioner Mazzola said that we did not expect you here today ... and that's okay ... but I personally have an appointment I have to get to and I think some of the Commissioners do as well. I would rather have you do it another forum so we can have it done correctly and we don't have to rush you.

Commissioner Guggenheimer asked what will happen with the July date. That obviously concerns them.

Mr. Martin responded that we will work with the organizing committee to pick a date, to pick the forum whether it's City Hall in a room like this, or in the Airport Museum where we can get a microphone system set up and accommodate a couple hundred of people. We will decide how to that. We will schedule it as quickly as reasonably possible, but we want to make sure everyone who wants to attend is given reasonable notice.

Mr. Gruberg asked for a commitment that the July 1st date is on hold until we have these further discussions.

Mr. Martin responded that we will hold the hearing within the next three weeks.

Unidentified speaker ... I suggest you put it on the Agenda and then you make time, Sir, with the forty-fifty speakers.

Commissioner Mazzola said that he will attend the meeting but it may not be in a forum like this.

Mr. Martin said that after the public hearing it will return to the Commission formally. We cannot take action with a change on July 1 without a Commission vote. So, there will be both the public hearing and then a hearing before the Commission again where everyone will have another opportunity to speak again and the Commission will get to ask questions. Because this is not calendared, the Commission can't enter into a substantive discussion.

Mr. Emil Lawrence said that he does not represent any group in this meeting today. I represent myself. I'm a resident of City and County of San Francisco for 40 years. I've spoken before this Commission in the past. There's a major problem with DAJA and Henry Thompson who's acts as a rogue manager by removing documents from the bulletin board that taxi drivers read. He's been doing this for eight months. I asked you two weeks ago to put a stop to it; nothing happen. Part of the problem that the taxi drivers in this City have, they're shunted now from MTA. MTA is taken them off their plate as well. Now you don't want to talk us either. It's a problem in this City.

Commissioner Crayton said that's not true.

Commissioner Mazzola asked Mr. Lawrence not to say that the Commission does not want to speak with them ... don't make comments like that.

Commissioner Crayton asked Mr. Lawrence not to make misstatements.

Mr. Lawrence understood that they will have a format. Let me finish please. We pay \$4 coming into the Airport every time we pick up a passenger. It's 10% of the gross business we get on an Airport fare going back to San Francisco. Unlike all of you that work for the City and County, we get no benefits whatsoever for that \$4 that we get. Nothing. We get an open parking lot that pumps probably \$8,000 to \$12,000 a day into DAJA's funnel or campaign fund. And that's it. And now they want to take it up to \$5-\$6, cut short fares, talk about entering San Mateo Cab companies into SFO. Maybe there's a problem with SFO that it should be put for sale at the highest bidder if it can't make any money and they have to squeeze cab drivers to do it. I thank you for your time.

Kulwant Khaira, cab driver. The things which were imposed on us ... July 1st, should be suspended or cancelled until we decide at future hearings and make a decision. This decision was imposed on us and we were not heard at all. I have spoken to several hundred drivers. They're frustrated and they are not able to express themselves here. July 1st should be cancelled or suspended until we reach an agreement or until we go to any conclusion. We pay \$4 fee. We cannot refuse credit cards from any customer. Credit card companies charge 5%, which is another \$2. We had an agreement on September 2, 2002. Since then the price of gas has gone very high. Everybody who picks up credit card passengers pays \$2 to \$3 extra because the company charges the 5% fee on credit card. And we are collecting money for the Airport for ground transportation. We are major, major part of ground transportation and we are not being heard properly by the Airport. This issue should have come up and discussed with them in front of Commission. They haven't listened. There was a notice for public hearing and there was no issue to cancell shorts. The next day there was a notice on the board that they are cancelling shorts. The drivers are very frustrated. We want to be heard.

Mr. Martin said that no decision has been made, no decision has been made.

Unidentified speaker asked if the action could be cancelled until then.

Mr. Martin responded that no action has been taken. The Commission must approve it. We will hold a public hearing and it will return to the Commission before a decision can be made. So there's nothing to retract; it hasn't happen.

Commissioner Mazzola welcomed Mr. Taranto back.

Mr. Barry Taranto said that he hasn't been before this Commission since Commissioner Richard Guggenheimer joined. He welcomed him and said this was a good opportunity to meet the cab drivers who are safe. Unfortunately, the article in the Canon Ball Express and S.F. Weekly was poorly written. I have a journalism degree from USC and if I ever wrote article like that, in that format, you can cut off a part of my body of your choice, because I would never write an article like that. Because it was disgusting and it was not appropriate. As you see, the drivers that are here, there the ones that care about the passengers that they pick up from S.F. Airport or take to S.F. Airport. You can't paint all drivers the way this writer wrote that article.

This is an issue about money mainly. As you know there was a savings in replacing cashiers with technology. It's important to put on the table all the money issues involved here. Tryg McCoy is a wonderful individual who listens very intently without getting into confrontation. His underling, unfortunately, likes getting into confrontation at times, and I'm not saying he's not a good administrator, but Mr. McCoy is much better at dealing with conflict.

We need to look at alternatives and work cooperatively. He suggested using the Taxi Commission's email list through Jarvis.

Accountability is another issue. This is a proposal to increase the fee. In order to that, we should have accountability on how the DAJA employees deal with the cab drivers. That we should account for better behavior, nicer people, and proper procedures if you're going to raise the rates. So thank you for your time.

Murai said that their closest competitor at the Airport is Super Shuttle. This was printed out today (see attachment). One passenger to the shortest area ... Millbrae, San Bruno, or SSF, is \$18. If there are two people, which there often are it's \$28 on Super Shuttle, three people \$38, four people \$48. So we're expected to take them for \$13 and then give the Airport \$2-\$4, where on Super Shuttle they're going to pay \$48 for four. Plus they have to call ahead for some of these shorts because they often try to take the Super Shuttle and then they disgusted and take a cab for less. They are often asked to make a pre-reservation and guarantee it with a credit card in advance if they don't show up. This is super important. You've got to realize that a cab driver and then this thing of jumping us for three times the shorts now ... we pay a total of \$6 and they're trying to jump it to \$12 or \$15. That's all coming out of a very minimum amount of money.

Good Morning. My name is Dave Snyder. I'm one of the co-founders of UTW, I'm speaking as an individual. It sounds like the procedure, I have kind of mixed emotions because, legally under public comment, I filed emotion with the Sunshine task force a few months ago and we dealt with the Board of Supervisors and we prevailed. Everybody here has a right to speak for, at least minute, under public comment your new business. But also I'm really happy the outreach that Chair Mazzola and the Commission is doing this morning to set up a separate meeting for the cab drivers, open to the public where this procedure can be discussed so that a mutually acceptable decision can be made. But we need to have enough time, because it appears from rumor and rumors aren't everything. Why do I know about rumors? Rumors aren't everything but it appears like this was going to move forward somewhere around July 1st in order so that you have our

testimony and both sides of the story we need adequate time. Thanks very much.

Mr. Dave Schneider, co-founder of UTW, speaking as an individual. He said that legally, under Public Comment ... he filed a motion with the Sunshine Task Force a few months ago dealing with the Board of Supervisors, and we prevailed. Everyone here has a right to speak for at least one minute under Public Comment. He was very happy with the outreach that President Mazzola and the Commission are doing in having a separate meeting for the cab drivers and open to the public so that this can be discussed so that a mutually acceptable decision can be made. They do need to have enough time. It appears, from rumor, that this was going to move forward around July 1. In order to hear both sides of the story, they need adequate time.

Commissioner Guggenhime said that nothing can be implemented before a Commission vote.

Mr. Martin agreed.

Commissioner Guggenhime said that this Commission will not vote until proper notice has been given, proper hearings have been held so everybody gets to present their views.

Mr. Martin said correct.

Mr. Tong Lee, cab driver, said that asked the Commission not to take away the little profit cab drivers make. Their income is already very low. We choose to come here because we don't want to make a crazy strike like 2002. We don't want to hurt the public service. We would like to involve like hearing or something that listens to our voice, our situation, our job so Airport Management give us a chance to get into this possession. We can't cannot afford it. If we can afford it, this time you only see fifty people but next time, I tell you, we can come, not me though, driver come automatically. Cab driver is very lazy to come any meeting unless if something serious happens. I guarantee you, next meeting, a five people show up; and another meeting, 1,000 drivers show up because we cannot afford it. I hope that Mr. John Martin can listen to situation. He appreciates this other hearing.

Commissioner Mazzola thanked the group for their comments and their cooperation. We're going to have that hearing ... bring your ideas and we'll see what happens with that. Thank you very much.

* * *

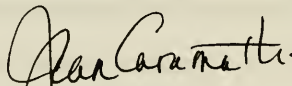
H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:03 AM.


Jean Caramatti
Commission Secretary

Super Shuttle

Millbrae, So SF,
San Bruno

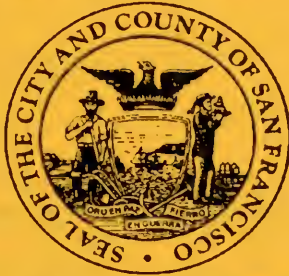
\$18.00 one passenger

\$28.00 two passengers

\$38.00 three passengers

\$48.00 four passengers

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

May 4, 2010

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICHARD J. GUGGENHIME

JOHN L. MARTIN

Airport Director

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SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Meeting of
May 4, 2010

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AIRPORT COMMISSION MEETING MINUTES

May 4, 2010

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:05 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenheimer

Absent: Hon. Caryl Ito

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of April 20, 2010 were adopted unanimously.

No. 10-0163

* * *

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Guggenheimer and seconded by Commissioner Mazzola. The vote to approve was unanimous.

1. Retirement Resolution for Mr. Eulogio San Jose

No. 10-0165 Resolution thanking Mr. Eulogio San Jose for 28 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. John Martin, Airport Director said that Eulogio San Jose is retiring after 28 years as a Custodian for the City, with the last 17 years at the Airport where he was promoted to Custodial Assistant Supervisor. Mr. San Jose was respected for his dedication, responsiveness and a very strong commitment to helping train employees. We thank him for his years of service.

Commissioner Mazzola thanked Mr. San Jose and wished him well in his retirement.

Item No. 2 was moved by Commissioner Johns and seconded by Commissioner Mazzola. The vote to approve was unanimous.

2. Retirement Resolution for Mr. Dennis Koehler

No. 10-0166

Resolution thanking Mr. Dennis Koehler for twenty-one (21) years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. Martin said that Dennis is retiring after 21 years of service at the Airport ... he is taking an early retirement. Dennis started as a Communications Dispatcher, became a Senior Dispatcher, a Supervisor, and Communications Coordinator in 1997. In that role, he was head of the Public Safety Communications Dispatch function. Dennis has always done an outstanding job coordinating between the SFPD, SFFD, Airport Operations, Airport Maintenance, Duty Managers, neighboring jurisdictions and coordinating our response for emergencies. He's also done an outstanding job in making sure we have a great training program for our Dispatchers. The crowning achievement in his career was the recently achieved POST certification for SFO. We are the first Airport to achieve POST certification for our Communications Center ... a great achievement to a great career with the Airport. Dennis was also key in handling the responsibilities of the dispatch function in those very difficult days after 9/11. We thank Dennis for his great loyalty and dedication. He is greatly admired by his fellow employees. We wish well on his retirement.

Commissioner Mazzola congratulated Mr. Koehler on his career.

Mr. Koehler thanked the Commission. He appreciates the opportunity to appear today and the resolution. It's been a great 21 years. He acknowledged two people who very early in his managerial career helped him to focus on what to do. Dale Dunham, Emergency Planning Manager who taught him that with any curve ball that life throws at you, always go with a positive attitude and sense of humor. Clay Scott, former Asst. Deputy Director, Operations who gave me the opportunity and had faith in me. He also thanked Mr. Tryg McCoy for his support, not just him but of the Communications Center; and Director Martin.

Commissioner Mazzola wished him well in his retirement.

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

3. Retirement Resolution for Thornton C. Bunch, Jr.

No. 10-0164

Resolution commending Carl Bunch for a job well done as an employee of the City for 19 years and recognizing his significant and valuable contribution for the success of the Airport in the 15 years that he has served SFO.

Mr. Martin said that Carl is retiring after a 47 career as a labor lawyer. Carl was in the City Attorney's Office for 19 years, with 15 years at the Airport which, fortunately, coincided with his time as Airport Director. Shortly after Carl started with the City he became head of the Employee Relations Office as Chief Negotiator for all labor contacts in the City ... a very important role in that position. Joining the Airport team in 1995, handling all laborer relations matters, including grievances and arbitrations, and most importantly, working to keep labor peace and harmony at the Airport and resolving many, many difficult situations. He's also played a lead role in some ground-breaking programs at the Airport ... negotiating the Master Plan Project Labor Agreement that insured labor peace through our \$3 billion construction program; handling the development of the Quality Standards Program; and the Airport Card Check procedure. He has great skills as a negotiator and he has been my principal advisor on all labor issues affecting concessioners, contractors, all 25,000 tenant employees at the Airport. I am personally very grateful for the support Carl has given to me and to the Airport and I am grateful that Carl is willing to continue working part time in retirement so he can continue to provide support to the Airport.

Commissioner Mazzola congratulated Carl on a great career.

Mr. Carl Bunch, Jr. said he brought his wife today so she can hear that I actually have worked at the Airport. Thank you all so very much for giving me the opportunity to work here at the Airport, for the City. I'm honored that the Airport Commission had me come up once in a while and make statements on behalf of the Airport. I have been privileged for 15 years at the Airport to have worked for John Martin who has done a terrific job as Airport Director. He's very empathetic to the needs of the working people at the Airport. I want to thank in particular, not only the management of the Airport, which has been terrific, not only to me and to the issues that I have to handle for the Airport but just to their skills and their attitudes and their concerns and commitment to this Airport. Lastly, I would like to take this opportunity to recognize the one person at the Airport without whom I could not get along, could not get my work done and who has been indispensable to me for 12 or more years since I've been at the Airport ... that's my Secretary, Renee Young who happened to come down to see me off. I think she's more interested in my leaving ... but if I can have her stand up. It has been a wonderful professional highlight of my professional life being here.

Mr. Steve Pataki, SEIU, congratulated Carl on a wonderful career with the City and also bring to attention how, although we found ourselves on opposite sides of the table, the right man in the right place for a number of years, it has been a joy working with Carl, and, again just want to congratulate him and to say how worth while it was working with him. Thank you.

Ms. Shelley Kessler, read a statement.

"To good old Carl, we've used him well, to quell the grief, and block the swell. When moments filled with passion rose, we turned to Carl, it's he we chose. To salve the beast, to soothe the soul, he bridged the gap and made us whole. Carl chose to serve and fill a need, he made a choice, for us, not greed. He could have walked the different route, from making wine, or learn the flute. But not our Carl, he knew his calling, far from the tree, he wasn't falling.

It's for us folks that Bunch felt close, it made him calm, he didn't boast. But you can tell from his tall stature, that he takes pride and knows what matters. For that we're grateful and share his pleasure, and wish him well as he enjoys some leisure. So I'll end here, just slightly miffed, we'll miss friend Carl, and all his gifts. And these last words I shall not mince, thank you Sir Bunch, you are a Prince!

We are really grateful to have had Carl to work with and I'm sure that you will miss as well as we will. I'm sure he will be just a phone call away but. She was thankful for the opportunity to work with him these many years. For my 24 years at the Labor Counsel, he's been a real stalwart. Thank you, all.

Commissioner Crayton said that the many times Carl presented to the Commission, you always have done it so eloquently and you categorized the issues in a manner in which the Commissioners could clearly understand, and knowing that a lot of it were legal things that were above our heads. But each time you've presented you've been very patient and understanding about how you've come to the conclusions that you've come to and which part of the law that you've expressed. She thanked Carl and told him that he would be missed.

Commissioner Guggenheim said that since they graduated from law school at about the same time, Carl was not allowed to retire.

Commissioner Mazzola thanked Carl ... coming from the labor movement, and Carl with his labor knowledge, he learned a lot from him and he appreciated that very much.

Commissioner John reiterated Commissioner Crayton's comments and said that she very much appreciated some of his explanations. It made plowing through some of the legalese quite simple. She wished him good luck in the future.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

4. Approve the Acceptance of a Commemorative Plaque Honoring the Late Congressman Tom Lantos from the Lantos Foundation

No. 10-0167

Resolution accepting the gift of a commemorative plaque honoring the late Congressman Tom Lantos from the Lantos Foundation to be placed in the "Congressman Tom Lantos Hub" in Terminal 3.

Mr. Martin said that last year the Commission approved naming the Terminal 3 Hub for the late Congressman Lantos. This resolution accepts a commemorative bas relief plaque of the Congressman, similar to the one of Henry Berman in the International Terminal. The plaque is being donated by the Lantos Foundation.

Ms. Shelley Kessler said that the Lantos family could not be here today but expressed on their behalf and on behalf of the labor community their appreciation

for placing this plaque in the Terminal. Tom was a heroic fighter on behalf of all of us and on behalf of the Airport over his many years in Congress. They are deeply appreciative that the Airport is recognizing all that he gave and did on behalf of our Airport. Thank you.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Mazzola asked about the effect of the Board of Supervisors resolution to boycott Arizona and will it effect any businesses at the Airport? It was reported in today's paper that USAir is based in Arizona.

Mr. Martin responded that it would be a problem. He understands that the City Attorney's Office has advised the Board to exclude the Airport from this provision, recognizing that the FAA has jurisdiction on aviation matters. It should not affect our new lease with US Airways that was approved by the Commission.

Commissioner Mazzola asked if it would behoove us to send a letter?

Mr. Martin said that it may be appropriate to send a letter. The vote is today.

Ms. Molly Stump, Airport General Counsel, said that it is her understanding the matter is in Committee today, so we're watching carefully. At this point, she believed the Board is focusing on purchases of goods and services and there are some special legal issues at the Airport. It's the Commission's election whether to communicate with the Board, but her office and the staff are very aware and are watching what's going on.

Mr. Martin said that if the Commission wishes to send a letter he would be happy to work with Molly in drafting a letter from the Airport.

Commissioner Mazzola felt that the Commission should take a position as well.

There were no objections to a letter being sent.

* * *

F. POLICY:

Item No. 5 was put over.

5. Policy Limiting the Number of Concession Leases Acquired by an Individual or Entity

Resolution limiting the number of concession agreements, food/beverage and retail combined, acquired by any one individual or entity to ten (10).

Mr. Leo Fermin, Deputy Director, Business and Finance said that we want to promote the concession opportunities at the Airport to as many and as diverse potential operators as possible. Towards this end, we recommend that you adopt

the policy limiting the total number of concession leases, food and beverage and retail combined to a maximum of ten leases Airport wide which an individual or entity can hold at any given time. Ten leases represent approximately 10% of the total number of food and beverage and retail leases that we currently have. This policy, we believe, will help foster competition, help allow new entrants to get into the Airport, and help to promote a diversity of food and beverage and merchandise offerings.

Commissioner Johns was curious how the number 10 was chosen. Why not nine, eight, seven, six? Why 10? It seems like the average is about two or three and we have a couple of entities ... one that has seven, one has four, and one 10. She felt it was a good idea, but wondered about the number.

Mr. Fermin responded that we have four terminal building complexes, including Terminal 2 which will soon be opening, so the number 10 represents between 2-3 leases at each of those locations and many leasees at the Airport have multiple locations as well. In looking at the sheer number of storage we have, we felt 10 leases which probably would amount to about 20 to 30 locations seemed like a nice balance to us. There's nothing scientific about it, it was just eye balling the number of locations we have throughout the Airport.

Commissioner Johns did not recall reading anything in the policy that you couldn't have more than a certain amount in any one Terminal ... is that something you thought about?

Mr. Fermin responded that when we did Terminal 2, the RFP limited to two the number of leases an entity could hold. But, for this particular overall policy, we're not. We are not recommending a specific limit per terminal.

Commissioner Johns assumed that this policy would allow an entity to have 10 leases in one terminal. Technically, if we approve this policy, you could have ten in one terminal.

Mr. Fermin responded yes.

Commissioner Crayton felt that it limits the opportunity to others when you allow people to have 10 leases. These people have established a record with us at the Airport and they know what it is. When new entrants come in and they're already applying and have it, that limits the number of people coming in. I find it problematic. Is this a benchmark at other airports?

Mr. Fermin said that we are not aware of any airports that have a similar policy.

Commissioner Crayton said that she would be in favor of less because it limits the people who can actually have access to a concession program at the Airport. It should be more of an average of four to five rather than 10. She assumed that staff was trying to avoid excluding an entity that have seven. Manuel Soto has 10. The policy would have to be changed. Has he had any financial problems.

Mr. Fermin responded that he has been in good standing in all of his leases.

Commissioner Johns said that since we limited it in the last RFP, as you just have noted, if we have an opening again and we go out for an RFP, can we further limit it? Can we say that if you already have three or four you cannot bid on this? Would this supercede our RFP guideline?

Mr. Fermin responded that our RFP guidelines would be consistent with this policy. Whatever policy the Commission adopts, we would make sure our RFP guidelines follows that policy.

Commissioner Guggenhime said that you can't less. You already have someone with 10. We either have no policy or we have a policy which allows us to ...

Mr. Martin said that we could return at the next Commission meeting and say that it's 10 right now but it will drop to eight at some date in the future, probably when Pacific Gateway's existing leases expire and we could drop it down.

Commissioner Crayton said that we could grandfather this person in and then go ahead.

Commissioner Mazzola agreed.

Commissioner Guggenhime said that if we have good vendors, and they are local, why would you want to effect the quality?

Commissioner Johns said it's a monopoly.

Commissioner Mazzola agreed with Commissioner Crayton. There's no question that incumbents have an edge. You see it after time, after time. If it's 10% of your service, someday you may only have 10 vendors. I'm for a lesser number. I don't know if that's a legal position we can take. I don't know if that's restraint of trade.

Commissioner Guggenhime said that he is concerned that someone can have one space that is bigger than 10 spaces put together. Correct?

Mr. Martin agreed. Someone can have one little coffee stand. Pacific Gateway has one candy cart ... a one employee operation. Concession tenants would have to decide which ones they are going to pursue.

Commissioner Mazzola asked if this includes kiosks.

Mr. Martin responded that it does include kiosks ... any lease of any kind. Is it okay to return a later date? My sense is that seven or eight may be the number

Commissioner Johns thought that perhaps a dollar amount could be involved.

Mr. Martin said that he is concerned about having multi layers. It becomes difficult to administer. The dollars can change dramatically as airlines move around from one part of the Airport to another.

Mr. Fermin agreed with Mr. Martin.

Commissioner Johns noted that subtenants are not included in this.

Mr. Fermin explained that subtenants come and go. Our main focus is to be with the main holder of the lease since they, in effect, have the contract with their subtenants.

Commissioner Johns thought that perhaps she did not mean subtenants, but rather a joint venture. For example, if somebody has nine contracts, but they join up with somebody else, and they may be 60/40 entity, How will we handle that?

Mr. Fermin responded that they would still be counted. This policy would apply to any percentage interest in a lease, whether it's 1% or 99%, or 100%.

Mr. Martin said that we will put this item over to a future Commission meeting. .

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 6 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

6. Award of Trade Bid Package Set No. 7 and Establishing Guaranteed Maximum Price for Contract 8757A - Design-Build Services for Terminal 2/Boarding Area D Renovations - Turner Construction Co. - \$20,755,781

No. 10-0168	Resolution awarding Trade Bid Package Set No. 7 for various scopes of work, to Contract 8757A, Design-Build Services for Terminal 2/Boarding Area D Renovations with Turner Construction Company, in the amount of \$20,755,781. This award establishes the final Guaranteed Maximum Price for the contract, in the amount of \$388,027,827.
-------------	--

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction, said that the total award amount for this proposal modification is \$95,207,815 and this establishes the final GMP of \$388,027,827 and it's comprised of two major components. The first component is the award of Trade Bid Package No. 7 in the amount of the \$20,755,780. The second component is the award of an additional amount of \$74,452, 035 and that amount shifts the significant project risk to the contractor for completing the buyout of the project, addressing design and construction issues and achieving the project schedule.

Regarding the award of Set No. 7, the scope provides for remaining interior architectural work as well as landside civil work which is the upper level sidewalk widening, pedestrian bridge construction and several electrical systems scopes of work. As required by the Administrative Code, these trade bid packages were bid to a minimum of three pre-qualified vendors were possible. There are exceptions to this, in particular the food service equipment and the UPS system are for specialized work and only two bidders were found. The other was exterior plaster

which was negotiated with an LBE firm under the 7½% Administrative Code allowance for negotiated work. The fourth is the 400hz motor generators bid, which only one firm met the minimum of the pre-qual requirements. Although this set of trade bid packages is over estimate by approximately by \$2 million, this overrun is offset by under runs on previous trade bid package sets and it is within overall forecast to complete the project on budget.

The second part of this award provides for the amount of \$74,452,035 and this amount was negotiated between staff and Turner with the support of T2 Partners, our construction management firm. This GMP shifts the major remaining project risk to the contractor. We are at a point in the project where we've built 60% of the work we've encountered, hopefully gone through all of the major unforeseen condition issues, and we're at a point where we think we could quantify the remaining risk on the project and shift that risk from the Airport to the contractor. We segregate the costs for that into five categories of work. Remaining base contract work, Category 2 is all approved and pending Type 1 changes to date on the project to account for unforeseen conditions, design and field coordination, delay mitigation and other field issues. There's an allowance to cover known exposures and anticipated costs in prosecuting the remainder of the work. There is a construction contingency to provide for yet to be encountered conditions including, scope gap, design and field coordination and any potential delay mitigation that's necessary to meet the schedule. And then we put in an Airport allowance, and this is for any Airport directed changes from here to the end of the project. And it covers any unanticipated conditions that were not reasonably foreseeable at the time of this GMP.

The first four categories of amounts, Turner will use at their discretion but will provide written notice of utilization to the Airport prior to the use of funds and they will include in that the scope of work and a cost estimate. We will review the estimate and the proposed categorization of the funds and validate that. At contract completion Turner is obligated to provide a final reconciliation of all costs on the job. If there is an under run, they return that under run amount to the City. If there is an over run, they are required to absorb that amount because the GMP is the final guaranteed maximum price, it guarantees delivery of the project. There is the category five cost, which is Airport allowances and we set this up within the GMP. It is for the sole use and discretion of the Airport for any Airport requested changes to finish the project. In February, we reviewed the proposed structure of the GMP with the Director's Capital Project Advisory Board, and the Advisory Board expressed the proposed cost categories and the shift in allocation of risk to Turner at this stage of the project was appropriately addressed. Based on the stage of the project in prior experience, they did comment on the construction contingency in particular and that they felt a limit of \$7 million is appropriate for the construction contingency. We have negotiated this with Turner in the amount of \$6,114,000, which is approximately 3% of the remaining value of the work to be installed. The proposed final maximum guaranteed price of \$388,000,000 is within the overall budget of \$398.2 million for these services for the total T2 program and provides for \$10.2 million in contingencies outside of the guaranteed maximum price and \$4.5 million in contingency through that Airport allowance within the guaranteed maximum price. So you have \$14.7 in total remaining contingency which is 7% of the remaining volume of the work. We've also

negotiated the time extension with Turner 5 ½ weeks. This is to accommodate that impact we discovered while demolishing the topics lab of the upper level roadway. The GMP accounts for this time and cost impact as well and results in a new substantial completion date of March 2, 2011. The T2 renovations program ... San Francisco-based and local firm participation program is also within this GMP to achieve 22.2% of LBE participation in comparison to the original HRC bill of 15% and 49.7% San Francisco firm based participation and we set a goal of 25% about a year ago now.

Commissioner Johns said that she understands the \$388 million and then we were down to the \$440 million figure. Is that the final figure upon which there won't be anymore and Turner is now locked in to this guaranteed maximum price, or can you now still come back to us and add more?

Mr. Satero responded that Turner is locked in to this guaranteed maximum price. The only caveat is if we direct a change to the contract from here to project completion. So, we put \$4.5 million inside that GMP in case we need to make a change. The \$440 million is the total program at the end of the day budget and with we're going to complete within that budget.

It was always our intent to reach a final GMP with Turner at a point where the risks were much better understood and where they can take full ownership of the project and just execute for the next year to get the project done on schedule.

Commissioner Johns asked about the date of completion.

Mr. Satero responded that it is March 2, 2011.

Item Nos. 7 and 8 were called together. They were moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

7. Amendment No. 1 to BART Lease, Use and Operating Agreement

No. 10-0169	Resolution approving Amendment No. 1 to Lease, Use and Operating Agreement for BART Station and related facilities and grant of easement at San Francisco International Airport, Lease No. L97-0081 to (1) limit BART premium fare (surcharge) for non-airline employees to \$1.50 each way for the remainder of the lease; (2) remove BART faithful performance deposit requirement; (3) permit monthly payment by BART of the annual rent in lieu of advance annual payment; (4) allow advertising by BART in the Airport-BART station; and (5) include administrative updates to the lease.
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Mr. Fermin said that last July BART increased the surcharge at the Airport from \$1.50 to \$4.00. After months of negotiation, I am pleased to report that we have

reached agreement with BART to revert the fare surcharge on non-airline Airport employees back to \$1.50. This \$1.50 surcharge will remain frozen with no increases over the remaining 43 year life of the lease. In exchange for this, we have agreed to do several things. First, contribute up to \$112,000 to help offset BART's programming and equipment costs necessary to make these changes; provide BART with a continuously updated list of active Airport badged employees; build, staff maintain and operate a BART information booth near the entrance to the BART station; install, operate, and maintain eight electronic display monitors which we will own where BART real time train information will be displayed along with other Airport information; let BART place BART marketing banners for a 30-day period in designated terminal areas of the Airport each year, and after the first year, reciprocity kicks in and SFO Marketing messages will appear in BART facilities. We will also allow BART to place advertising within the BART station. Finally, we will also formalize BART's lump sum annual rent payment to monthly payments and remove the security deposit requirement in their lease which is \$2.3 million. The annual value of what we are doing for BART roughly equals the annual surcharge revenue of \$1.1 million which BART forgoes by going back to \$1.50 surcharge. Some of these items require your approval of the lease amendment in Agenda Item 7, the BART information booth, the real-time information monitors and the programming costs required Modification No. 5 to the Polaris Information Booth Contract, which is Item No. 8.

Item No. 11 also modifies the Polaris contract, but it is different from these BART costs which are required for the changeover in the surcharge. Item 11 is for next year's ongoing information booth cost and is the last option year of the contract. The lease amendment will require Board of Supervisors approval. Once the surcharge drops back to \$1.50, we will stop running the employee shuttle to the Millbrae Station. If we can get through the Board of Supervisors without delay, I anticipate that this will occur sometime between June and July of this year.

Mr. Steve Pitocchi spoke on behalf of the agreement. All of the represented employees under my jurisdiction at the Airport are non-airline employees and this will definitely help them as we're voting for a tentative agreement with the City and County which is a concessionary agreement. I want to thank everyone who worked on this agreement and, again, speak in favor of it.

Ms. Shelley Kessler said thank you on behalf of all the workers at the Airport who take BART. I know this was a tough negotiation. We've have many fights about this vote by the members of this Commission as well as on the union side of it to try to get BART to understand that it works in the interest of the public to take mass transit to and from the Airport. While we would have liked no surcharge, the fact it has been reduced to \$1.50 each way is a great help to those people who are making low wages at the Airport ... and there are quite a few, and not all are union members. I also want to encourage over time, in the next 43 years, that perhaps we can get BART operating 24 hours at SFO. Workers are there 24 hours a day, 7 days a week, 365 days a year. If we can encourage BART, given all the work you have done, all the money you have put on the table, all the efforts that you are making to have this be a successful transition, I would urge that you encourage BART to go to a 24 hour clock. Thank you very much for your time and for all the work you have done.

8. Modification No. 5 to Information Booth Program Contract - Polaris Research and Development, Inc. - \$590,000

No. 10-0170

Resolution approving Modification No. 5 to the Information Booth Program Contract with Polaris Research and Development, Inc. to increase the amount by \$590,000 for a new total not-to-exceed contract amount of \$1,775,000. The additional amount of \$590,000 will provide funding to staff and equip a new Information Booth near the BART station in the International Terminal, and facilitate a SFO non-airline employee BART fare discount program.

Item Nos. 9 and 10 were called together. There were moved by Commissioner Guggenheimer and seconded by Commissioner Mazzola. The vote to approve was unanimous.

9. Modification No. 3 to the Marketing Services Contract - The M-Line - \$1,239,000

No. 10-0171

Resolution approving scope of services for the Marketing Services Contract with the M-Line, an LBE firm, and approve Modification No. 3 to exercise the second of two one-year options to extend the contract through July 15, 2011 and to increase the contract amount by \$1.239 million for a new total contract amount of \$4.457 million.

Ms. Kandace Bender, Deputy Director, Communications and Marketing, said that before you today are two contract modifications for marketing services. One is for the M-Line, an LBE firm in the amount of \$1,239,000 in year four of a four-year contract. The other is for the SF Convention and Visitors Bureau in the amount of \$1.4 million in year two of a two-year contract. Calling these two items together gives us an opportunity to describe how the two firms provide different services and yet work together for a common result and how we plan to forward. The M-Line has helped us to build our marketing program to promote the Airport to drive more passengers to our facility and to heighten SFO's profile. The CVB is building on this success and expanding our efforts into the international arena. Both firms have helped attract and then support new airline service. Both firms are driven by the same goals to promote SFO and its tenants. That is how their functions are complimentary and how they mesh efforts together. The primary difference between the functions of the two firms is that the M-Line is focused on promoting the Airport for domestic outbound traffic and the CVB is focused on promoting the Airport's international inbound traffic. For the next fiscal year, our work with the M-Line will focus on supporting SFO's promotional efforts for the Airport and for the domestic outbound traffic. They will continue to build existing and new technologies and expand our marketing support for food, beverage, retail, and parking. They will expand some of our more popular programs such as a "You Are Here" music series and of course, we will develop and execute an

opening event and publicity plan for Terminal 2.

The M-Line has helped create our domestic marketing efforts. When we first started out eight years ago we had one form of communication with passengers ... the little blue man ... and that was through our public relations effort. The next year, we began more of our web work with web advertising and communicating with our passengers through the web site and other forms of the Internet. We then increased our advertising working with barter programs with BART, with Muni, with the Ports and various other agencies throughout the City to help promote SFO. We put the street banners so we had hose available to us to advertise and promote our new airline service. Next year we will be moving more into the electronic age where we will be utilizing the more than 800 screens that we have throughout the Airport for promotional and marketing purposes. We have a new mobile hand held website that's going to be debuting in the next couple of months and we're also going to be working with the free wi-fi splash page and doing even more work with our web and e-tailing advertising.

The CVB will focus on driving more international traffic through San Francisco. They will support our international airlines by creating international joint marketing efforts in the 14 countries where we have representation. They'll manage and increase our foreign language website landing pages and keep us updated on airline developments throughout the world. And of course, we're working together on the international PowWow event hosted by San Francisco in May 2011. This is not a small effort. This event being held in San Francisco for the first time in 19 years will draw more than 5,000 travel agents and more than 400 journalists from around the globe. This gives us an opportunity to demonstrate to a huge international audience that our Airport is the best point of entry into the United States. At the same time, both of the firms will work together in supporting our new international service us. Again, we started out with just public relations as our only form of communications vehicle, utilizing advertising WEB work based advertising and marketing, and again to the mobile hand held site. So we're utilizing our technology, meshing the two firms efforts together and trying to talk to our passengers from every possible point we can think of. I would also like to thank Jeff Loyola, owner of the M-Line, who is here today, who helped us create these functions, and to Jane Sullivan for helping to implement them.

10. Modification No. 2 to Professional Services Contract with the San Francisco Convention & Visitors Bureau to Provide Continued International Aviation Marketing Services in Overseas Locations

No. 10-0172

Resolution approving Modification No. 2 to Professional Services Contract with the San Francisco Convention & Visitors Bureau to extend the term of the agreement for one year and to increase the amount by \$1,400,000 for a new total not-to-exceed amount of \$2,659,000 for continued International Aviation Marketing Services; all other terms and conditions of the contract remain in full force and effect.

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 11 through 19, was moved by Commissioner Crayton and seconded by Commissioner Johns. The vote to approve was unanimous.

11. Modification No. 6 to the Information Booth Program Contract - Polaris Research and Development, Inc. - \$1,533,000

No. 10-0173 Resolution approving Modification No. 6 to exercise the fourth of four one-year options to renew and modify the Information Booth Contract with Polaris for an additional one-year term in an amount not-to-exceed \$1,533,000 for the contract year commencing July 1, 2010 through June 30, 2011, for a new total contract amount not-to-exceed \$6,288,960 (includes \$590,000 from Information Booth Program Contract Modification No. 5 which is also calendared for Airport Commission consideration on May 4, 2010.)

12. Award Contract No. 8465B - Superbay Hangar Fire Protection Improvements, Phase B - Schembri Construction, Inc. - \$1,799,848

No. 10-0174 Resolution awarding Contract 8465B, Superbay Hangar Fire Protection Improvements, Phase B, to the lowest responsive, responsible bidder, Schembri Construction, Inc., in the amount of \$1,799,848

13. Award Professional Services Agreement for Contract No. 8974.2 - Airport-Wide As-Needed Baggage Handling System and Passenger Boarding Bridge Improvements Design and Integration - BNP Associates, Inc. \$1,000,000

No. 10-0175 Resolution awarding Professional Services Agreement for Contract No. 8974.2, Airport-Wide-As-Needed Baggage Handling System and Passenger Boarding Bridge Improvements Design and Integration to BNP Associates, Inc., in an amount not to exceed \$1,000,000.

14. Award of Professional Services Contract 9016 - Airport Management Consulting Services Contract - Jacobs Consultancy for Retail Concessions and Tenant Design Review Services - \$585,000

No. 10-0176 Resolution awarding Airport Management

Consulting Service Contract 9016 to Jacobs Consultancy, for Retail Concessions and Tenant Design Review Services, for a three year period, in an amount not-to-exceed \$585,000 and a term of three years with two, one-year options.

15. Assignment of the International Terminal Newsstands Lease No. 04-0006, Terminal 3, Concourse Newsstands, Lease No. 04-0007, and Boarding Area "F" Specialty Store Lease No. 04-0166, with The Paradies Shops, Inc.

No. 10-0177 Resolution consenting to the assignment of International Terminal Newsstands Lease No. 04-0006, Terminal 3 Concourse Newsstands Lease No. 04-0007, and Boarding Area "F" Specialty Store Lease No. 04-0166 from The Paradies Shops, Inc. to Fulton Holding Company, a newly formed Delaware corporation controlled by Freeman Spogli & Company.

16. Bid Call - Contract 8788 - Airfield Pavement Reconstruction (2010 - 2012)

No. 10-0178 Resolution approving the scope, budget, and schedule for Contract No. 8788, Airfield Pavement Reconstruction (2010 - 2012), and authorizing the Director to call for bids when ready.

17. Bid Call - Contract 8879 - Central Garage Carbon Monoxide Monitoring System

No. 10-0179 Resolution approving the scope, budget, and schedule for Contract No. 8879, Central Garage Carbon Monoxide Monitoring System, and authorizing the Director to call for bids when ready.

18. Award Contract 8977 - Customer Survey Services - Corey, Canapary & Galanis - \$50,000

No. 10-0180 Resolution awarding Contract No. 8977, Annual Customer Survey to Corey, Canapary & Galanis for a maximum annual contract amount of \$50,000.00.

* * *

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of

up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

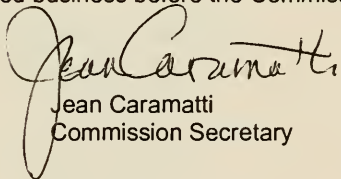
The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:53 A.M.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

May 18, 2010

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

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Minutes of the Airport Commission Meeting of
May 18, 2010

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		4
B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES: Regular meeting of May 4, 2010	10-0181	4
D.		SPECIAL ITEMS:		
	1.	Retirement Resolution - Michael Towle	10-0182	
	2.	Retirement Resolution - Eric McCartney	10-0183	
	3.	Retirement Resolution - Leonard Chan	10-0184	
E.		ITEMS INITIATED BY COMMISSIONERS:		
F.		ITEMS RELATING TO ADMINISTRATION. OPERATIONS & MAINTENANCE:		
	4.	Designate \$87,200,000 of PFC Funds Revenue for Payment of Debt Service in FY2010/11	10-0185	
	5.	FY2010/11 Rates and Charges	10-0186	
	6.	Award Contract 8823 - Domestic Terminal Garage Concrete Deck Resurfacing - Schembri Construction		
	7.	Issue RFP - Contract 9023 for NEPA and CEQA Environmental Consultant Services for the Airport Traffic Control Tower Relocation	10-0187	
	8.	Award Terminal 2 Newsstand, Coffee, and Specialty Stores Lease - Host International, Inc.		
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	9.	Award Professional Services Contract 8975 - Airport Planning and Management Services - Landrum & Brown	10-0188	
	10.	Bid Call - Contract 8489 - Emergency Response Boathouse	10-0189	
	11.	Issue a RFP - Terminal 3 Boarding Area "F" Gourmet Food and Gift Store Lease	10-0190	

- H. NEW BUSINESS:
- I. CORRESPONDENCE:
- J. CLOSED SESSION:
Potential Litigation
- K. ADJOURNMENT:

AIRPORT COMMISSION MEETING MINUTES

May 18, 2010

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenheimer

Absent: Hon. Linda S. Crayton, Vice President

* * *

J. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:04 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:27 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of May 4, 2010 were adopted unanimously.

No. 10-0181

* * *

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Johns and seconded by Commissioner Ito. The vote to approve was unanimous.

1. Retirement Resolution for Mr. Michael Towle

No. 10-0182

Resolution thanking Mr. Michael Towle for more than 40 years of dedicated service to the City and County of San Francisco and to offer best wishes for a long and fruitful retirement.

Mr. John Martin, Airport Director said that Mike Towle had an outstanding 40 year career with the Airport, working in a number of different positions including Parking Control Officer, Traffic Control Officer, Airport Policeman, Airfield Safety Officer, Operations Supervisor, Operations Coordinator, and the last 15 years as Airport Duty Manager. He is, not surprisingly, viewed as a Jack of all trades and someone who knows how to get us back and get it done right dependably. Always setting a very high standard for the Airport, positive attitude among his fellow employees and with the Contractors working at the Airport too. Mike was also Airport Employee of the Year, O'Brien Employee of the Year sometime ago. We congratulate Mike for an outstanding career and thank him for his commitment to the Airport.

Mr. Towle thanked Director Martin who has been a fabulous boss. It's been really, really fun. I grew up at the Airport and it's been great.

Item No. 2 was moved by Commissioner Guggenhime and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Retirement Resolution for Mr. Eric McCartney

No. 10-0183

Resolution thanking Mr. Eric McCartney for almost 31 years of faithful service to the City and County of San Francisco, with 25 years at San Francisco International Airport, Facilities Division, and to offer best wishes for a long and adventure-filled retirement.

Mr. John Martin said Eric McCartney has been a star employee for the Airport. Twenty-five years at the Airport; 31 years total with the City. Eric served as a Maintenance Manager and oversaw the very large warehouse operations on Spruce Street for a number of years. Most recently he's developed a creative approach to recycling, reusing office cubicles and work stations, a real environmentally sustainable approach. Eric also has a very positive attitude that he promotes among his fellow employees and is someone who is looked up to and greatly respected. We thank Eric for his outstanding service to the Airport.

Mr. Eric McCartney was thankful for the opportunity to work at the Airport ...it has been good to him and helped him along the way. You spend a lot of your waking

life at work and it becomes a huge part of your life ... a lot of people have become a part of his life and, hopefully, will be part of his rest of his life. Thank you.

Item No. 3 was moved by Commissioner Mazzola and seconded by Commissioner Ito. The vote to approve was unanimous.

3. Retirement Resolution for Mr. Leonard Chan

No. 10-0184 Resolution thanking Mr. Leonard Chan for 20 years of faithful service, seven of which were spent at San Francisco International Airport in the Mel Leong Treatment Plant, and to offer best wishes for a long and fruitful retirement.

Mr. John Martin said Mr. Chan is not present today. He is retiring from the Mel Leong Treatment Plant after 20 years of service to the City, and seven years at the Airport working as a Chemist. We appreciate Mr. Chan's years of service.

Commissioner Mazzola said even though he's not here, let's give a round of applause. We thank him for his years of service.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 4 and 5 were called together. The items were moved by Commissioner Guggenheim and seconded by Commissioner Mazzola. The vote to approve was unanimous.

4. Designate \$87,200,000 of Passenger Facilities Charge Funds as Revenues for Payment of Debt Service in Fiscal Year 2010/11 and Apply Such Amount to Airline Rates and Charges as Needed

No. 10-0185 Resolution authorizing designation of \$87,200,000 of Passenger Facility Charge funds as revenues for payment of debt service in FY 2010/11 and apply such amount to airline rates and charges as needed.

Mr. Leo Fermin, Deputy Director, Business and Finance said that these two agenda items are being called together because passenger facility charges (PFC) designated as revenues are used to pay debt service which affects the amount we need to collect from the airlines through rates and charges. Item 4 authorizes the

application of up to \$87.2 million of PFCs to pay debt service and Item 5 approves next year's rates and charges.

The new landing fee and terminal rental rates reflect airline space give backs negotiated with the new Lease and Use Agreement and commencement of debt service and operating expenses for Terminal 2. The landing fee rate will increase from \$3.15 per 1,000 lbs. to \$3.59, or a 14.1% increase. The average terminal rental rate will increase from \$100.61 to \$113.54, or an increase of 12.8%. However, because traffic is increasing and we are forecasting an increase in enplanements, the cost per enplaned passenger is projected to decrease by 2.5% from \$14.79 to \$14.42. In constant dollars, which is how we measure this, it will be under \$14.00 at \$13.97. As in years past, in some areas we continue to gradually increase our percentage of cost recovery, adjusting the rates slightly upwards. In other areas, such as ground transportation trip fees, some adjustments are being made downwards. Many other rates and charges remain unchanged. At this time we have not included the removal of the taxi short fee, an increase in the long term parking daily rate, or the imposition of the off-Airport parking privilege fee.

Commissioner Johns asked how much filming is done at SFO and what is the fee?

Mr. Fermin responded not that much. We receive film requests for commercials and movies several times a year. It's not that much of a revenue source for us.

Commissioner Johns asked if we work with the film office when that occurs.

Mr. Fermin responded that our Operations staff does.

Commissioner Johns noted Item 11, Pre-Arranged Van Trip Fees will remain unchanged at \$3.05 a trip ... how do we determine when is pre-arranged?

Mr. Fermin responded that they file a report and a permit request for this service.

Commissioner Johns assumed that we have no real way of knowing.

Mr. Martin said that the prearranged vans park in courtyards ... so they have to stop and check in with the security guard there.

Mr. Fermin said that's correct.

Commissioner Ito asked if the film fee is consistent with what other City facilities charge. We want to encourage filming in San Francisco and not charge excessive fees.

Mr. Fermin responded that he is not sure what the rest of the City charges.

5. Fiscal Year 2010/11 Airport Rates & Charges

No. 10-0186

Resolution establishing Airport Rates and Charges
for Fiscal Year 2010/11.

Item No. 6 has been removed from the calendar.

6. Award Contract 8823 - Domestic Terminal Garage Concrete Deck Resurfacing - Schembri Construction - \$2,765,870

Resolution awarding Contract No. 8823, Domestic Terminal Garage Concrete Deck Resurfacing, to the lowest responsive, responsible bidder, Schembri Construction, in the amount of \$2,765,870.

Mr. Bob Rosen, representing Alpha Restoration and Water Proofing, said they appreciate the Commission's second look at this award. My client was the absolute, in absolute terms, low bidder by over \$130,000. Even when LBE credits are taken into account, and properly calculated, Alpha is the lowest bidder. Alpha protested Schembri's bid because what Schembri did was arrange a sham transaction designed to claim LBE credits improperly. That sham can be seen directly from the face of the bid documents that Schembri provided.

Project specifications require use of a specialized water proofing system for this project. On bid date Schembri received a \$2.4 million quote for both application of the system and the components involved. The components, because they're part of an overall system that is guaranteed by the manufacturer are sold directly to the contractors who use them and apply them. Schembri was going to have a subcontractor use the limb fall system. In order to claim \$225,000 worth of credits under the LBE program, Schembri stripped out the component part of the system and then gave that to Western Gravel who has never sold this material before, nor stocked it, nor are they a supplier of it ... it is sold directly by the manufacturer of the component system. In return, that LBE company acting as a front got a \$20,000 flat fee. So, Western Gravel, the LBE assisting Schembri in this sham transaction, isn't performing any commercially useful function. This comes with a very real price tag for the City and taxpayers. You end up paying \$130,000 more than if you went with the true low bid that Alpha provides. The City will effectively pay \$20,000 to Western Gravel to act as a conduit. In other cases, the Airport Commission and the City have taken a strong view that companies listed as LBEs cannot be conduits. It's written into 14B in the implementing regs. LBE firms who would otherwise have gotten this work, aren't getting it. Those companies, and probably their union subcontractors and workers, are going to be losing sales because \$225,000 in LBE credits were generated through a fictitious transaction in return for a flat payment of \$20,000. Equally as important, HRC and the City are creating a precedent that these kinds of transactions are okay ... and they're not. We respectfully request that the Commission take a second look at this issue and study it closely.

Mr. David Druml, Alpha Restoration, said that on this particular job there is a specification calling for subcontractors, or the general contractor in this case, to list the subcontractors and the amount of the subcontract. On this contract we were able to obtain the true and factual quote that was provided by F.D. Thomas, a subcontractor to Schembri. The quote is for \$2,415,451. There's also a document that gets submitted with the bid that indicates that the amount for F.D. Thomas is \$2,000,000 ... a substantial difference. If the project is awarded to Schembri a statement would be made that any amount can be entered onto a bid form, whether

it will be \$1 or \$1 billion and it doesn't have to be the amount that was actually provided as a quote from the subcontractor. Therein lies the precedent that is very damaging to the construction industry as a whole. The subcontractor listing law is to prevent any kind of game being played and they are looking for true and factual information. In this case, there's a difference of over \$400,000. (See attachments)

Mr. Charles Schembri, Schembri Construction, appreciates the work he's received from San Francisco Airport to date and he likes working there. He understands City and County of San Francisco and Human Rights Commission rules. We have not assembled a sham bid as Alpha's counsel has suggested. We have prepared a bid in conformance with the plans, specifications and contract requirements and Human Rights Commission requirements. We worked closely with F.D. Thomas as a subcontractor on this proposal to install the waterproofing membrane on the parking garage, and with Western Gravel and Roofing Supply, a certified LBE supplier of materials in the San Francisco Bay View district. This project didn't have many opportunities for LBE participation. It's really one trade which is new roof coating on the parking structure. Early on we knew that we would be working with F.D. Thomas and that we were going to have to pull out the roofing materials in order to meet the goal. There was no sham involved. We were going to need to use the LBE supplier mechanism. The \$2.4 million bid from F.D. Thomas included materials. The reason for the lower listing amount on our bid form is that we were going to be buying materials from Western Gravel and Roofing Supply, rather than F.D. Thomas. It's not a discrepancy ... it's one person installing, and another providing materials. The San Francisco Administrative Code talks about LBE suppliers receiving a 60% credit for materials that will be purchased from that supplier. That's exactly what we are doing with Western Gravel. It's been responded to by us in a 10-page letter. It's been reviewed by Airport staff and the Human Rights Commission and the recommendation was to award to Schembri Construction after considering the arguments prepared by Alpha Restoration and their counsel.

The LBE supplier definition in the Administrative Code states "if a bidder obtains materials, supplies, articles or equipment from an LBE supplier certified by the HRC to supply such items, 60% of the cost of the items will be counted towards that goal." The LBE supplier has to have the financial and physical capability to purchase the stock and distribute the materials ... Western Gravel certainly does.

Item No. 7 was moved by Commissioner Ito and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

7. Authorization to Issue a Request for Proposals - Contract 9023 for NEPA and CEQA Environmental Consultant Services - Airport Traffic Control Tower Relocation

No. 10-0187

Resolution authorizing staff to issue a Request for Proposals for Contract No.9023 for NEPA and CEQA Environmental Consultant Services for the Airport Traffic Control Tower (ATCT) relocation.

Mr. Nixon Lam, Manager, Environmental Affairs, said that in preparation for the redevelopment of Terminal 2 (T2) as a domestic terminal, the Airport conducted a

seismic analysis of T2 and the structurally integrated Air Traffic Control Tower (ATCT). Based on this analysis it was decided that T2 and the ATCT could be rendered inoperable in the event of a major earthquake. It was determined that while it would be possible to seismically upgrade the terminal building during the redevelopment program, there are no viable seismic retrofit options to meet current seismic codes and any further significant upgrade to the tower would be cost prohibitive and cause severe operational impacts to the T2 facility. As a result, the Airport has been working with the FAA to replace the existing ATCT. In 2007 the Commission authorized staff to enter into a reimbursable agreement with the FAA to complete an ATCT siting study. This study evaluated a number of potential sites and recommended that the ATCT should be relocated to the courtyard between T2 and T1. To proceed with construction of a new control tower the Airport must complete environmental review and documentation in compliance with both the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA) in the procedural requirements of FAA Order 1050.1E, State of California CEQA Statutes and Guidelines, and Chapter 31 of the San Francisco Administrative Code. Airport staff will require the assistance of a qualified consulting firm experienced in Federal and State environmental regulations and special purpose environmental laws. Staff seeks authorization to issue a Request for Proposals for NEPA and CEQA Environmental Consultant Services to relocate the ATCT. The RFP will identify a scope of work to complete the NEPA and CEQA environmental review and documentation. Environmental analysis will provide the basis for a determination to move forward with construction. A qualified selection panel will be convened to evaluate and rank the proposals and work with the Airport Small Business Affairs staff to determine the appropriate DBE requirements. Anticipated contract duration is one year with a one year option to renew.

Item No. 8 was put over without discussion.

8. Award of Terminal 2 Newsstand, Coffee, and Specialty Stores Lease - Host International, Inc. - Minimum Annual Guarantee: \$1,126,000

Resolution awarding the Terminal 2 Newsstands, Coffee, and Specialty Stores Lease to Host International, Inc., with a term of 10 years and a MAG of \$1,126,000 for the first lease year, and directing the Commission Secretary to request approval of the Lease from the Board of Supervisors.

* * *

G. **CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:**

The Consent Calendar, Item Nos. 9 through 11, was moved by Commissioner Guggenheim and seconded by Commissioner Ito. The vote to approve was unanimous.

9. Award a Professional Services Contract 8975 - Airport Planning and Management Services - Landrum & Brown - Not-to-exceed \$300,000 over a Four Year Term

No. 10-0188

Resolution awarding Professional Services Contract 8975 to Landrum & Brown for Airport Planning and Management Services in a total contract amount not-to-exceed \$300,000 over a 4 year contract term

10. Bid Call - Contract No. 8489 - Emergency Response Boathouse

No. 10-0189

Resolution approving the scope, budget, and schedule for Contract 8489, Emergency Response Boathouse, and authorizing the Director to call for bids when ready.

11. Authorization to Issue a Request for Proposals for the Terminal 3 Boarding Area "F" Gourmet Food and Gift Store Lease

No. 10-0190

Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to commence the competitive selection process for the Terminal 3 Boarding Area "F" Gourmet Food and Gift Store Lease through a Request for Proposal process.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests to speak from the public.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

II. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:55 A.M.


Jean Caramatti
Commission Secretary

DOCUMENT 00700

GENERAL CONDITIONS

Section	Title	Page No.
	GENERAL	1
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	CONTRACT AWARD AND COMMENCEMENT OF THE WORK	7
	BONDS AND INSURANCE	8
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	CONSTRUCTION BY COMMISSION OR BY SEPARATE CONTRACTORS	14
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	CONTROL OF THE WORK	17
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1. GENERAL

A. DOCUMENTS

The Contract Documents shall not be construed to create a contractual relationship of any kind between the following: (1) the Contract Manager and the Contractor; (2) the Architect/Engineer and Contractor; (3) the Commission or its representatives and a subcontractor or sub-subcontractor; or, (4) any persons or entities other than the Commission and Contractor. Contractor is fully responsible for all acts and omissions of its subcontractors, suppliers and other persons and organizations performing or furnishing any of the Work under a direct or indirect contract with Contractor, just as Contractor is responsible for Contractor's own acts and omissions.

B. ENTIRE AGREEMENT

The Contract Documents, and any written modification to the Contract Documents, shall represent the entire and integrated agreement between the parties hereto regarding the subject matter of this agreement and shall constitute the exclusive statement of the terms of the parties' agreement.

1. The Contract Documents, and any written modification to the Contract Documents, shall supersede any and all prior negotiations, representations or agreements, either written or oral, express or implied, that relate in any way to the subject matter of this agreement or written modification. The parties represent and agree that they are entering into this agreement and any subsequent written modification in sole reliance upon the information set forth in the Contract Documents or written modification and the parties are not and will not rely on any other information.

C. MODIFICATIONS

The Contract Documents may be amended or modified only by a written amendment; change order or directive issued in accord with the provisions of the Contract Documents. The Contract Documents may not be modified or supplemented orally or by implication. To be effective, any modification to the Contract Documents must be in writing and must be signed by an authorized representative of Commission.

D. EFFECT OF WAIVERS

Either party's waiver of any breach or failure to enforce any of the terms, covenants, conditions or other provisions of the Contract Documents at any time shall not in any way affect, limit, modify or waive that party's right thereafter to enforce or compel strict compliance with every term, covenant, condition or other provision hereof, any course of dealing or custom of the trade or oral representations not withstanding.

E. EXERCISE OF CONTRACT RESPONSIBILITIES

1. The City, the Commission, and the Contract Manager, as the Commission's representative, do not, in exercising their responsibilities and authorities under the Contract Documents, assume any duties or responsibilities to any subcontractor or supplier, nor do the Commission or Contract Manager assume any duty of care to Contractor, its subcontractors, or suppliers.
2. The Architect/Engineer, in exercising its responsibilities and authorities under the Contract Documents, does not assume any duties or responsibilities to any subcontractor or supplier, nor does Architect/Engineer assume any duty of care to Contractor, its subcontractors, or suppliers, except as expressly set forth in the Contract Documents. However, the Architect/Engineer shall be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's/Engineer's duties.

2. BIDDING

A. COLLUSION PROHIBITED

1. No person, firm or corporation shall make, file, or be interested in more than one bid for the same work. However, a person, firm or corporation that has submitted a sub bid to a bidder, or has quoted prices to a bidder, is not thereby disqualified from submitting a sub bid or quoting prices to other bidders.
2. Bidder shall complete Document 00481 (Non-Collusion Affidavit).

B. EXPERIENCE AND FINANCIAL QUALIFICATIONS

Pursuant to San Francisco Administrative Code ("SFAC"), Section 6.21(G), Bidder is required to show to satisfaction of Commission that Bidder has verifiable experience in class of work to be performed, and ability, equipment, and financial resources to perform Work satisfactorily within time specified. Bidder is required to possess the qualification specified on Document 00420 (Experience and Financial Qualifications).

C. SAFETY AND HEALTH EXPERIENCE

Bidder is required to show to satisfaction of Commission that Bidder has a previous record of safe operation. This information must be submitted by Bidder on Document 00440 (Safety Experience).

D. INVESTIGATION PRIOR TO BIDDING

1. Bidder must, prior to bidding, perform the work, investigations, research and analysis required by Paragraph 15 of Document 00100 (Instructions to Bidders) and which Bidder, in Paragraph 3 of Document 00300 (Bid Form) and Paragraph 5 of Document 00510 (Agreement), represented that it performed prior to bidding. Bidder is charged with all information and knowledge that a reasonable bidder would ascertain from having performed this required work, investigation, research and analysis. Bid prices must include entire cost of all work "incidental" to completion of the Work, as that term is defined in Paragraph 5.F of this Document.

2. Conditions Shown on the Contract Documents

Information as to underground conditions, as-built conditions, or other conditions or obstructions, indicated in the Contract Documents, e.g., on Drawings or in Specifications, have been obtained with reasonable care, and have been recorded in good faith. However, Commission only warrants, and Bidder may only rely, on the accuracy of limited types of information.

- a. As to above-ground conditions or as-built conditions shown or indicated in the Contract Documents, there is no warranty, express or implied, or any representation express or implied, that such information is correctly shown or indicated, whether or not the conditions are verifiable by an independent investigation. If this information is verifiable by independent investigation, Bidder is required to make such verification as a condition to bidding and in submitting its Bid; Bidder shall rely on the results of its own independent investigation. In submitting its Bid, Bidder shall not rely on Commission supplied information regarding above-ground conditions or as-built conditions.
- b. As to any subsurface condition shown or indicated in the Contract Documents, Bidder may rely only upon the general accuracy of actual reported depths, actual reported character of materials, actual reported soil types, actual reported water conditions, or actual obstructions shown or indicated. Commission is not responsible for the completeness of such information for bidding or construction; nor is Commission responsible in any way for any opinions, conclusions or opinions of Contractor drawn from such information; nor is Commission responsible for subsurface conditions that are not specifically shown (for example, Commission is not responsible for subsurface conditions in areas contiguous to areas where a subsurface condition is shown).

3. Conditions Shown In Reports and Drawings Supplied for Informational Purposes

Reference is made to [Document 00220 (Geotechnical Data)] and Document 00230 (Existing Conditions) for identification of:

a. Subsurface Conditions

Those reports of explorations and tests of subsurface conditions at or contiguous to the site that have been utilized by Architect/Engineer in preparing the Contract Documents; and

b. Physical Conditions

Those drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the site that have been utilized by Architect/Engineer in preparing the Contract Documents.

4. These reports and drawings are not Contract Documents and, except as set forth in [Document 00220 (Geotechnical Data)] and Document 00230 (Existing Conditions) Bidder may not in any manner rely on the information in these reports and drawings. Bidder must make its own independent investigation of all conditions affecting the Work and must not rely on information provided by the Commission.
5. Bidder must take into account the possibility that above-ground and subsurface conditions affecting cost or quantities of Work may differ from those indicated in the Contract Documents or in the information supplied for informational purposes. Bidder shall make any additional site investigation or subsurface investigation it considers necessary prior to bidding. Any excavation or boring done by Bidder will require approval of Commission, and Bidder must submit work plan and proof of insurance, and must obtain appropriate permits and passes before doing any work. Site visits must be coordinated with the Contract Manager.

6. Except for the limited reliance authorized by Paragraphs 2.D.2 and 2.D.4 above, Contractor may not rely upon or make any claim against City, Commission, Architect/Engineer, their agents or any of their consultants, with respect to:
 - a. The completeness of any information referred to in Paragraphs 2.D.2 and 2.D.3 for Contractor's purposes, including, but not limited to, preparation of Contractor's Bid, any aspect of the means, methods, techniques, sequences and procedures of construction to be employed by Contractor and safety precautions and programs incident thereto, or
 - b. Other data, interpretations, opinions and information contained or indicated in the information referred to in Paragraph 2.D.2 or Paragraph 2.D.3; or
 - c. Any Contractor interpretation of or conclusion drawn from any technical data or other such data, interpretations, opinions or information, contained in the information referred to in Paragraph 2.D.2 or Paragraph 2.D.3.
7. Records of existing structures on or in the vicinity of site of Work may be supplied in Document 00230 (Existing Conditions) or may be on file in the Airport Engineering Building and may be examined by Bidder (but subject to the conditions of Document 00230 (Existing Conditions).) Bidder should note that existing structures or facilities may differ from records on file, or may have been altered, and that no representation is made, nor responsibility taken nor warranty given either express or implied, by Commission as to the accuracy of locations and other data shown on records. Bidder is to conduct all necessary investigations and become familiar with any and all actual as-built conditions.
8. Bidders who discover discrepancies or lack of information in Specifications and Drawings, [Document 00220 (Geotechnical Data)] or Document 00230 (Existing Conditions) during bidding period shall make a written request to Commission for a clarification by Addendum.
9. In formulating its Bid and preparing its work schedule, Bidder shall consider the work schedules of other contractors, Commission forces and utility owners with whom Bidder must coordinate its work under Paragraph 6.

E. SUBCONTRACTORS

1. Pursuant to SFAC, Section 6.21(9), and State of California Public Contract Code, Section 4104, Bidder must state in Bid, on Document 00435 (Subcontractors List) for each subcontractor who will perform any portion of Work, including labor, rendering of service, or specially fabricating and installing a portion of the work or improvement according to detailed drawings contained in the plans and specifications, in excess of one-half of one percent (0.5%) of Contractor's total bid, the following information:
 - a. Name of subcontractor
 - b. Business address of subcontractor
 - c. Brief description of work to be performed under subcontract
 - d. Amount to be paid for subcontractor's work, labor, or service
 - e. Subcontractor's California Contractor's State License Number
 - f. San Francisco Business Tax Registration Certificate Number
2. Bidder may be required to furnish to Commission information as to technical experience and financial status of each subcontractor mentioned in bid, and adequacy of subcontractor's plant or equipment.



March 31, 2010

Charles Schembri
Schembri Construction
1485 Bayshore Blvd. #130
San Francisco, CA 94124

RE: Domestic Terminal Garage Concrete Deck Resurfacing

Hello Chuck, listed below please find our pricing for this project. We have left out the traffic control and the fencing around the work area. We have also left out line striping. All other items are complete.

Parking Stalls Walks Islands	C2	228,000	sq.ft	\$3.59	\$817,985.34	
Roadways	C3	226,000	sq.ft	\$4.05	\$915,072.47	
Drive ways	C4	13,800	sq.ft.	\$4.41	\$60,827.87	
Concrete Slab Joint	C5	80,000	lf	\$1.85	\$148,361.43	
Utility pipe Prep	C6	8	ea	\$201.95	\$1,615.61	
Wheel Blocks	C7	87	LS	\$52.91	\$4,603.55	
Traffic Control	C8	1	LS	\$0.00	\$0.00	\$1,948,466.26
Parking Stalls Walks Islands	A1	23,700	sq.ft	\$3.63	\$86,144.66	
Roadways	A2	29,400	sq.ft	\$4.07	\$119,656.62	
Concrete Slab Joint	A3	11,000	sq.ft.	\$1.85	\$20,399.70	
Utility pipe Prep	A4	16	lf	\$201.95	\$3,231.22	
Wheel Blocks	A5	51	ea	\$52.91	\$2,698.63	
Traffic Control	A6	1	LS	\$0.00	\$0.00	\$232,130.82
Parking Stalls Walks Islands	A7	21,400	sq.ft	\$3.67	\$78,597.50	
Roadways	A8	32,300	sq.ft	\$4.06	\$131,125.13	
Concrete Slab Joint	A9	11,000	sq.ft.	\$1.85	\$20,399.70	
Utility pipe Prep	A10	14	lf	\$201.95	\$2,827.32	
Wheel Blocks	A11	36	ea	\$52.91	\$1,904.92	\$234,854.57
Traffic Control	A12	1	LS	\$0.00	\$0.00	\$2,415,451.66

Please fee free to call with any questions.

Mike Mitchel

F.D. Thomas, Inc.
Specialty Contracting
V/P Division Manager
8018 Portland Ave East
Tacoma, WA 98404
253 548-1600 x 104253 548-1605 – fax
mike@fdthomas.com

BIDDER: Schembri Construction Co., Inc.

 CONTRACT No. **8823**
 ENVELOPE "A"

DOCUMENT 00435

SUBCONTRACTOR LIST

Pursuant to Section 621.A.9 of the San Francisco Administrative Code, Bidder shall submit the following information regarding Subcontractors that Bidder intends to employ to perform Work in an amount in excess of one-half of one percent, or \$10,000, whichever is greater. Bidder shall list only one such Subcontractor for each portion of the Work.

Notwithstanding the above, Bidder shall list on this document ALL LBE subcontractors and suppliers, including their respective subcontract dollar amounts, it wishes to utilize toward this Contract's LBE subcontracting goal. Failure to include this information may make it impossible for the City to determine whether or not Bidder has met the LBE subcontracting goal, and the bid may be deemed non-responsive.

LBE Goal: 6% MBE: 1% WBE: 1% OBE: 4%

1. TYPE OF SUBCONTRACTOR: <input checked="" type="checkbox"/> First Tier; <input type="checkbox"/> Lower Tier; <input type="checkbox"/> Supplier; <input type="checkbox"/> Service Contractor (e.g. Trucker)			
2. SUBCONTRACTOR NAME: <u>FD Thomas</u>			
3. ADDRESS: <u>Medford, Or</u>			
4. BID ITEMS/PORTION OF WORK: <u>Elastomeric Coatings, Concrete Prep & demo.</u>			
5. PHONE NO. <u>(541) 664 3010</u>	6. VENDOR NO.	7. FEDERAL ID NO. <u>98-101 7192</u>	
8. LICENSE NO. <u>610403</u>	9. SF BUSINESS TAX REG. NO.	10. AMOUNT OF SUB-CONTRACT WORK: <u>\$2,000,000</u>	
11. CERTIFIED LBE? <input type="checkbox"/> Yes; <input checked="" type="checkbox"/> No	12. IF LBE, CHECK APPLICABLE: <input type="checkbox"/> MBE; <input type="checkbox"/> WBE; <input type="checkbox"/> OBE*	13. IF LBE, ENTER ABOVE AMT. AS % OF BASE BID AMOUNT: %	

1. TYPE OF SUBCONTRACTOR: <input type="checkbox"/> First Tier; <input type="checkbox"/> Lower Tier; <input checked="" type="checkbox"/> Supplier; <input type="checkbox"/> Service Contractor (e.g. Trucker)			
2. SUBCONTRACTOR NAME: <u>Western Gravel & Roofing Supply Company</u>			
3. ADDRESS: <u>San Francisco</u>			
4. BID ITEMS/PORTION OF WORK: <u>Roofing Coating material supply</u>			
5. PHONE NO. <u>(415) 829 9000</u>	6. VENDOR NO. <u>152331</u>	7. FEDERAL ID NO. <u>94-29671632</u>	
8. LICENSE NO. <u>N/A</u>	9. SF BUSINESS TAX REG. NO.	10. AMOUNT OF SUB-CONTRACT WORK: <u>\$ 300,000</u>	
11. CERTIFIED LBE? <input checked="" type="checkbox"/> Yes; <input type="checkbox"/> No	12. IF LBE, CHECK APPLICABLE: <input checked="" type="checkbox"/> MBE; <input type="checkbox"/> WBE; <input type="checkbox"/> OBE*	13. IF LBE, ENTER ABOVE AMT. AS % OF BASE BID AMOUNT: %	

1. TYPE OF SUBCONTRACTOR: <input type="checkbox"/> First Tier; <input type="checkbox"/> Lower Tier; <input type="checkbox"/> Supplier; <input type="checkbox"/> Service Contractor (e.g. Trucker)			
2. SUBCONTRACTOR NAME			
3. ADDRESS			
4. BID ITEMS/PORTION OF WORK			
5. PHONE NO.	6. VENDOR NO.	7. FEDERAL ID NO.	
8. LICENSE NO.	9. SF BUSINESS TAX REG. NO.	10. AMOUNT OF SUB-CONTRACT WORK: <u>\$</u>	
11. CERTIFIED LBE? <input type="checkbox"/> Yes; <input type="checkbox"/> No	12. IF LBE, CHECK APPLICABLE: <input type="checkbox"/> MBE; <input type="checkbox"/> WBE; <input type="checkbox"/> OBE*	13. IF LBE, ENTER ABOVE AMT. AS % OF BASE BID AMOUNT: %	

* MBE = Minority Business Enterprise, WBE = Women Business Enterprise, OBE = Other Business Enterprise.

Western Gravel & Roofing Supply Company

1426 Donner Avenue

San Francisco, Ca 94124 Phone: 415-822-9000 Fax: 415-822-0960

**March 31, 2010 Schembri Construction Company
1485 Bayshore Blvd. #130
San Francisco, CA 94124**

**Sales Quotation: San Francisco International Airport Contract # 8823
Domestic Terminal Garage Concrete Deck Resurfacing
Addenda Noted #1 & #2
Specification Section 07500, Roof Coatings Material Supply Only**

Bid Item #C2 5 th Floor Roof Coatings, Parking Stalls	228,000 S.F. \$1.24/ S.F.	\$283,669
Bid Item #C3 5 th Floor Roof Coatings, Roadways	226,000 S.F. \$1.54/ S.F.	\$348,245
Bid Item #C4 5 th Floor Roof Coatings, Driveways	13,800 S.F. \$1.83/ S.F.	\$25,263
Bid Item #A1 4 th Floor Roof Coatings, Parking Stalls	23,700 S.F. \$1.24/ S.F.	\$29,486
Bid Item #A2 4 th Floor Roof Coatings, Roadways	29,400 S.F. \$1.54/ S.F.	\$45,199
Bid Item #A7 4 th Floor Roof Coatings, Parking Stalls	21,400 S.F. \$1.24/ S.F.	\$26,624
Bid Item #A8 4 th Floor Roof Coatings, Roadways	32,300 S.F. \$1.54/ S.F.	\$49,658

Sales Quotation Clarifications:

All prices include sales tax, storage and delivery From Western Gravel to the jobsite.

All prices exclude shipping from Lake Orion, MI to Western Gravel

Pricing is valid for 180 days

No retention is allowed, Payment net 30 days

Materials will be invoiced once they are received and stored in Western Gravel

Quantities are per the Owner's estimate, and have not been verified by Western Gravel

Eugene Lee

General Manager

Western Gravel & Roofing Supply Co.

Phone: 415-822-9000 Fax: 415-822-0969

SFHRC LBE/MBE Certified # HRC011111167 San Francisco Vendor # 74563

Recap of Schembri's Listed Suppliers and Subcontractors per their individual quotations:

Bid Item	FD Thomas		Western	
	(Subcontractor)		(Material Supplier)	
Bid Item # C2	\$817,985.34		\$283,669.00	
Bid Item #C3	\$915,072.47		\$348,245.00	
Bid Item #C4	\$60,827.87		\$25,263.00	
Bid Item #C5	\$148,361.43			
Bid Item #C6	\$1,615.61			
Bid Item #C7	\$4,603.55			
Bid Item #C8	\$0.00			
Bid Item #A1	\$86,144.66		\$29,486.00	
Bid Item #A2	\$119,656.62		\$45,119.00	
Bid Item #A3	\$20,399.70			
Bid Item #A4	\$3,231.22			
Bid Item #A5	\$2,698.63			
Bid Item #A6	\$0.00			
Bid Item #A7	\$78,597.50		\$26,624.00	
Bid Item #A8	\$131,125.13		\$49,658.00	
Bid Item #A9	\$20,399.70			
Bid Item #A10	\$2,827.32			
Bid Item #A11	\$1,904.92			
Bid Item #A12	\$0.00			
Totals	\$2,415,451.67		\$808,064.00	
Amount Listed in Bid	\$2,000,000.00		\$300,000.00	

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

June 1, 2010

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128**

- J. CORRESPONDENCE:
- K. CLOSED SESSION:
Potential Litigation
- L. ADJOURNMENT:

AIRPORT COMMISSION MEETING MINUTES

June 1, 2010

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:03 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenheimer

Absent: Hon. Linda S. Crayton, Vice President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of May 18, 2010 were adopted unanimously.

No. 10-0191

* * *

D. SPECIAL ITEM:

Item Nos. 1 through 9 were called together. The items were moved by Commissioner Ito and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

1. Retirement Resolution for Mr. Grato Catolico

No. 10-0192 Resolution thanking Mr. Grato (Gary) Catolico for 33 years of faithful service with the City and County of San Francisco and to offer best wishes for a long and fruitful retirement.

Mr. John Martin, Airport Director, said that Gary Catolico has worked for the City and County of San Francisco for 33 years and is retiring as a Construction Inspector in the Airport's Facilities Division. Mr. Catolico has been a great asset to the Airport and will be missed by his co-workers.

Commissioner Mazzola thanked Mr. Catolico for his service and congratulated him on his retirement.

2. Retirement Resolution for Mr. Jose Ganoza

No. 10-0193

Resolution thanking Mr. Jose Ganoza for over 25 years of faithful service with the City and County of San Francisco, all within the Mel Leong Treatment Plant of the Facilities Division at San Francisco International Airport, and to offer best wishes for a long and fruitful retirement.

Mr. Jose Ganoza worked at the Airport for 25 years, 4 years as a Stationary Engineer in the Maintenance Section and 21 years in the Mel Leong Treatment Plant. Excellent knowledge, responsible and a very personable employee.

3. Retirement Resolution for Mr. Shew Huey

No. 10-0194

Resolution thanking Mr. Shew Huey for over 23 years of City service, 11 years with San Francisco Airport in the Sheetmetal Shop of the Maintenance Branch at the Facilities Division, and to offer best wishes for a long and fruitful retirement.

Mr. Martin said that Mr. Shew Huey began his sheet metal career 40 years ago. He has been with the City since 1983, and at the Airport since 1999. He is a very personable, soft spoken man that other employees enjoyed working with.

4. Retirement Resolution for Mr. Kenneth Zugar

No. 10-0195

Resolution thanking Mr. Kenneth Zugar for almost 20 years of faithful service with the City and County of San Francisco, all with San Francisco Airport, Maintenance Branch of the Facilities Division, Pavement and Grounds, and to offer best wishes for a long and fruitful retirement.

Mr. Martin said that Ken Zugar came to the Airport in 1990 as a truck driver and has been responsible for driving a compactor truck and a mobile sweeper. He is someone who really loves his work. He is very conscientious and takes on any assignment. He takes ownership of his trucks and makes sure they are well maintained. Ken was nominated for the William R. O'Brien Employee of the Year award and has been part of several team recognition awards. He is greatly admired by his fellow employees and they love to work with him. We thank Ken for his years of service.

Commissioner Mazzola offered his congratulations.

Mr. Ken Zugar thanked Mr. Martin for his kind words. It's been a great pleasure working at the Airport. I couldn't have asked for a better job. I used to take the 19

Polk from Galileo High School, never thinking that one day I would be in City Hall with my name on a resolution. Thank you.

5. Retirement Resolution for Mr. Anthony Scerri

No. 10-0196

Resolution thanking Mr. Anthony Scerri for almost 19 years of faithful service with the City and County of San Francisco, all with San Francisco Airport, Maintenance Branch of the Facilities Division, Sheet Metal Shop, and to offer best wishes for a long and fruitful retirement.

Mr. Martin said that Anthony Scerri started as a sheet metal worker 43 years ago. He has worked with the City since 1984, and has been at the Airport since 1991. He has been in his current position of Supervisor of the Sheet Metal Shop since 1999. His extensive shop experience helped us to set up a much more efficient Sheet Metal Shop at the Airport.

6. Retirement Resolution for Mr. Felix Ching

No. 10-0197

Resolution thanking Mr. Felix Ching for almost 18 years of faithful service with the City and County of San Francisco, seven of which were spent at San Francisco Airport in the Mel Leong Treatment Plant, and to offer best wishes for a long and fruitful retirement.

Mr. Martin said that Felix Ching started as a Chemist in Hong Kong and was a Chemistry teacher there. He came to work for the City 18 years ago ... seven years as a Supervising Chemist at the Airport's Treatment Plant. A real team player, always willing to help his fellow employees.

7. Retirement Resolution for Mr. Fred Ota

No. 10-0198

Resolution thanking Mr. Fred Ota, Landscaping Shop of the Maintenance Branch in the Facilities Division for almost 10 years of City service and to offer best wishes for a long and fruitful retirement.

Mr. Martin said that Fred Ota came to the Airport's Landscape division 10 years ago. He has over 30 years of experience. He is a very valuable member of the team. He was recognized as Facilities Maintenance Employee of the Year in 2002 for his outstanding service and he played a very important role in establishing the redwood forest that we now have at the Airport.

8. Retirement Resolution for Mr. Dennis Neves

Mr. John Martin, Airport Director said that Dennis Neves has 19 years at the Airport, all in the Operations & Security Division. He's taken a number of tasks, always willing to help out in any area. He started as an Airfield Safety Officer, many Commissioners know Dennis as a Duty Manager, and most recently he has served as a Terminal Systems Manager. Dennis has always gone out of his way to mentor other employees and help them in their work. For that reason, he's greatly admired by his fellow employees and respected for his very positive, friendly attitude. We thank Dennis for his 19 years of service to the Airport.

Commission Mazzola congratulated Dennis.

Mr. Dennis Neves thanked the Commission for this resolution. I was honored yesterday by the nation as a Vietnam War veteran. And now, this honor today ... I appreciate it. I accept this on behalf of my parents who immigrated here from Hawaii in 1946. My mom was pregnant with her seventh child. Six kids came over on merchant ships. She raised nine more children in San Francisco. He thanked the Director, his staff and all employees, from Custodian to all those he has worked, laborers, tradesman, sr. staff and Commissioners. He appreciated the support he received and John's excellent management. Thank you.

Mr. Tryg McCoy, Assistant Deputy Director, Operations & Security said that while Dennis is retiring from the City, he has worked in aviation since the early 70s. He and Dennis worked together 20 years before he started with the City ... with the Air California and then with American Airlines. Dennis has a lot of experience at the Airport and he has a lot of talent. He has always worked with Dennis ... he either worked for him, or with him, or somewhere around him. He is personally going to miss him very much. He's done a lot of good for the Airport and he wanted to add his appreciation.

9. Retirement Resolution for Ms. Tina Salazar

No. 10-0200

Resolution thanking Ms. Tina Salazar for over 15 years of faithful service with the City and County of San Francisco and to offer best wishes for a joyful and rewarding retirement.

Mr. Martin said that Tina started working at the Airport in 1994 as a Secretary assigned to work with John Costas. She moved to the 5th floor of International Terminal when it opened and not long after that became Jackson Wong's secretary. For the last ten years Tina's desk has been right outside my office area, so I walk by her desk many times every single day. She always has a very professional attitude, very friendly, very welcoming to people who visit the Airport. I personally want to thank her for her very significant contributions and warmth and the positive attitude that she's brought to the Airport. Thank you, Tina.

Ms. Tina Salazar said I can't believe this day is here. When you start out as a young employee, no matter where you are, you think you have so many years to do this and then all of a sudden you wake up and the day is finally here. I've worked all my adult life and I've worked in other places besides the Airport, and the good Lord has always put me in good positions but, he saved the best for last. My 15 years at the Airport have truly been the very best job I've ever had. The people that I've worked for and among have just been tremendous examples to me. I've learned so much from them and from the opportunities that I have been challenged with. I will take with me many fond memories of the people I've worked for. Jackson, I really enjoyed working for you. I've had a lot of fun vicariously experiencing your trips around the world. I've learned a lot through the Commission packages I've had to put together. It helped me to keep on top of what was happening at the Airport. I wish you, Mr. Martin, great success in reaching No. 1. It's just been a great place to work. I thank you very much for this honor and truly, the pleasure is all mine. Thank you very much.

Commissioner Mazzola congratulated Ms. Salazar on her retirement.

Ms. Jean Caramatti, Commission Secretary, read a statement from John Costas, former Chief of Staff at SFO: "I had the pleasure and good fortune of having Tina Salazar work for me for over nine years. She's an exceptional and talented individual. When I retired, the Commission graciously acknowledge my contributions to the success of SFO. Tina's efforts were an integral part of that contribution. I wish Tina all the best in the next chapter of her life." John Costas.

Mr. Martin thanked all of those employees who could not be present today.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. POLICY:

Item No. 10 was moved by Commissioner Guggenhime and seconded by Commissioner Ito. The vote to approve was unanimous.

10. Policy Limiting the Number of Concession Leases Acquired by an Individual or Entity to Eight (8)

No. 10-0201

Resolution limiting the number of concession agreements, food/beverage and retail combined, acquired by any one individual or entity to eight (8).

Mr. Cheryl Nashir, Revenue Development and Management, said that the proposed policy before the Commission will limit the total number of food and beverage, and/or retail leases that any one entity or individual can hold at any one time with SFO. An entity or individual is defined as any level of ownership ... it

could be a 100% owner in a lease, or a 5% partner in a lease, for instance. The limitation is for not more than eight leases at any one time. The purpose of this proposed policy is to support what we've already found to be a successful strategy ... a diverse group of concessionaires and new entrants. A broad base of Airport concession tenants will mean that we're allowing many businesses an opportunity to thrive and that we're bringing new concepts to the traveling public. This policy is in line with our endeavors to do business with local businesses as well. This policy is somewhat an offensive move, designed to prevent a return to the days when a few concessionaires operated the majority of the Airport's concession locations. Of the current 97 food and beverage and retail leases, 25 or about 25% are operated by tenants that hold more than one lease with us. There are economies of scale and security for the tenants available in operating multiple leases, but we're trying to find the balance between that number and market saturation. We believe limiting the number of leases to not more than eight achieves this goal. For some contracts, eight is about 8% of our total leases. It could also be looked at as two leases per terminal, although we're not going to limit it in that particular fashion.

There are three exceptions to this policy. The first is any entity or individual that currently has more than eight leases with us. They will be allowed to keep those leases until they expire, but they will not be able to add more leases until they go under the number of eight. The second exception is the Terminal 2 News, Coffee and Specialty Retail Lease, for which the RFP is open presently. We expect that one present tenant that has 10 leases will propose on it. This RFP was begun before the recommendation of the proposed policy so it would be unfair to change the rules midstream. The third and last exception is subleases. DFS, our duty free concessionaire, has a lease covering 27 locations. Part of that lease contains provisions to sublease and those subleases co-terminate with the DFS group expiration in 2017. We recommend exempting those subleases from this policy.

Commissioner Johns understood Ms. Nashir to say that DFS has 27 subleases.

Ms. Nashir responded that they have 27 locations but is unsure of the number of subleases. She guessed it's 6 to 8 subleases.

Commissioner Johns asked if the Commission was being asked to exclude any future applications ... could they get to 30 or 40?

Ms. Nashir responded that the subleases DFS has in place now will be in place through the expiration. We don't expect DFS to sublease any of the spaces it is currently operating. We don't think they'll convert those to subleases during the remainder of the term, so it's just the existing subleases under DFS that we would like excluded.

Commissioner Ito assumed that the demand for duty free, which is a little different from our other retailers, justifies this in terms of service to our international passengers. Correct?

Ms. Nashir replied, yes. It's a big lease and we wanted them to include some subleases. We didn't want them to have all those locations for themselves.

Commissioner Ito asked what percentage of revenue on the subleases does DFS receive.

Ms. Nashir replied that they get a percentage of gross or a MAG. A percentage of gross mimics our leases.

Mr. Emil Lawrence said that he has worked in the City and County of San Francisco and has been resident of the City for almost 40 years. I am also a taxi driver in the City and County of SF. We are controlled by DAJA International, which is a sub contractor of SFO, or contractor, and they subcontract to probably 100 to 150 different vendors ... every individual parking lot owner, to limousine driver, to shuttle which is covered under this act. They get leases and contracts as a contractor under DAJA which should be controlled by something like this.

Commissioner Mazzola said that's a different subject; we are talking about leases. We heard your comment; you made your point. That would of be for New Business.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 11 was moved by Commissioner Guggenhirne and seconded by Commissioner Ito. The vote to approve was unanimous.

11. Request for Proposal for Professional Services - Contract 9015 - Master Architect for Air Traffic Control Tower/Terminal 1 Complex Redevelopment Program

No. 10-0202

Resolution authorizing staff to issue a Request for Proposal for Professional Services, Contract 9015, Master Architect for Air Traffic Control Tower (ATCT)/ Terminal 1 Complex Redevelopment Program. This contract will provide design services for 1) developing a conceptual plan for Terminal 1, Boarding Area B and integration of the ATCT facility into the Terminal 1 Complex; and, 2) the preparation of "bridging documents" to be used as the basis for procuring a design-build contractor for the ATCT and integrated Airport facilities.

Mr. Ivar Satero said this proposed RFQ/RFP process is to support the Airport proceeding with the Air Traffic Control Tower (ATCT) replacement program and the future planning of the Terminal 1 facilities. It's driven by the need to aggressively implement the tower program as the Airport and the FAA have recently reached an agreement where the Airport would handle all project management responsibilities, essentially contracting for design and construction services, and the FAA would have program oversight. The proposed partnership would be structured through other transaction agreement, or OTA, and that will be presented in the near future. The FAA, in consultation with Airport staff, has determined a preferred location of the replacement tower which is in Courtyard 2.

This location provides for optimal visibility with a reasonable tower height, along with convenient parking and access for the FAA staff. In comparison to several other study sites, it is able to be reasonably integrated with the future Terminal 1 program. However, due to the integration of the tower with the terminal facility, it's imperative that existing and future terminal needs are properly planned, and the facilities residing within the footprint of the FAA facilities are designed and constructed along with the FAA tower and offices.

To achieve this, staff proposes to contract for Master Architect services for two primary tasks: 1) design the Terminal 1 Complex to a conceptual plan level of detail to assure future terminal needs are studied within the context of the Replacement Tower Program; and, 2) develop a design development set of plans for the FAA tower and offices, along with the Airport existing and future terminal needs, which will be used as bridging documents to contract with a design-build team for completing the design and construct of the FAA facilities and terminal facilities within the footprint of the FAA facilities. The major Terminal 1 Complex elements, including the terminal building and Boarding Areas B and C, will not proceed any further than conceptual design at this time, but will be implemented in accordance with the policy approved by the Commission previously, based on forecast additional demand, yet which still allows for proper phasing and construction of the replacement facilities.

The FAA will fund the tower and offices and the Airport will fund the terminal related facilities. The costs of shared systems, including foundations, structures, mechanical, electrical, plumbing and special systems, will be allocated between the FAA and the Airport based on the percent share of costs for the integrated facility.

Under separate process, staff will recommend proceeding with related work of the integrated facilities due to their adjacency and interrelationship. Specifically, staff will propose completing the secure connector between Terminals 1 and 2, and to relocate the security checkpoint at Boarding Area C to improve passenger flow, and provide for increased concession space post-security at Boarding Area C. This work, along with the demolition of the old tower and architectural enclosure following demolition, will be implemented through a separate RFP process for design and design-build services so as to provide greater opportunities for architectural and engineering firm involvement in Airport projects.

The RFP process for Contract 9015 will follow all Airport procurement procedures, and minimum qualifications will be established as appropriate for the anticipated size and complexity of the project. Following the Selection Committee's review, staff will return to the Commission with a recommendation to approve the selection of the highest ranked team and authorize negotiations.

Due to the Federal funding component for these services, staff will work with Airport Small Business Affairs staff to develop a small business program to ensure the participation of local, small and disadvantaged businesses.

Commissioner Ito commended Ivar and staff for working it out to give mid size and small businesses an opportunity to bid on various scopes of work. It bodes well

for the Airport to support locally owned businesses as much as we can.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item No. 12 was moved by Commissioner Mazzola and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

12. Rent Abatement and Construction Reimbursement to Host International, Inc.

No. 10-0203

Resolution approving a rent abatement of \$54,737 for costs incurred during the construction process resulting in the delayed opening of Starbucks, and the reimbursement of construction cost in an amount not to exceed \$40,000 for the restoration of Starbucks to Host International, Inc.

* * *

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Emil Lawrence, cab driver, said that the number of concession leases basically covered by a contractor under an SFO agreement may have subcontractors, like taxi drivers, that pay fees and you have no control over them. That should be covered in any policy related to Item No. 10.

I am watching a lot of people retiring from the Airport getting retirement benefits but you have 5,000 drivers that enter the Airport on a monthly basis that have no retirement benefits whatsoever ... no medical benefits, no pension benefits, no dental benefits, no grievance procedures, nor do they have unemployment insurance. I bring you that to reiterate facts that basically slide by the City and County on a monthly basis.

I've requested public documents for various financial statements related to this Airport for the investment funds, for contract funds, payroll. I have not gotten one answer back from anybody at this Commission or at the Airport based on those documents. I am also requesting DAJA's financial performance statements, balance sheets. I have not gotten anything from them; no word back from them and I bring it to your attention. There are various articles in the San Mateo Times that various so called limousine owners, Airport lot owners are getting very upset over the fees that DAJA is attempting to charge them when DAJA is a highly profitable enterprise. We all know they are friends of Willie Brown. The salaries that they hand out to upper management is shocking in this day and age yet they want to jack fees up to pay for their own pensions, their own retirement benefits, etc. I bring that to your attention because it's part of the fees that they're trying to raise for the taxi drivers in the City and County of San Francisco. As a rule, we pay

\$4 coming in. We pay 10% of the fare we get going back to San Francisco. I want to remind you that's a high tax as it is just for coming to the Airport. Thank you.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:41 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

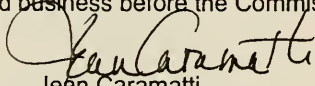
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 10:16 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:17 A.M.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

June 15, 2010

9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

GOVERNMENT
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Minutes of the Airport Commission Meeting of
June 15, 2010

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		4
B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES: Regular meeting of June 1, 2010	10-0204	
D.		SPECIAL ITEMS:		
	1.	Retirement Resolution - Adlai Jew	10-0205	
	2.	Retirement Resolution - Shew "Steve" Ging Yee	10-0206	
	3.	Retirement Resolution - Larry Horn	10-0207	
	4.	Retirement Resolution - Falesoa Manu	10-0208	
	5.	Retirement Resolution - Ceclia Cordero	10-0209	
	6.	Retirement Resolution - Nianci Wei	10-0210	
	7.	Retirement Resolution - Mei Juan Li	10-0211	
	8.	Retirement Resolution - Charlie Freas	10-0212	
	9.	Retirement Resolution - Joseph Passinisi	10-0213	
	10.	Retirement Resolution - Melba Maravilla	10-0214	
E.		ITEMS INITIATED BY COMMISSIONERS:		
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	11.	Award Contract 8823 - Domestic Terminal Garage Concrete Deck Resurfacing - Schembri Construction		
	12.	Modification No. 1 - Contract 8547 - Central Plant High Temperature Hot Water System Improvements - Trico Construction	10-0215	
	13.	Award Professional Services Contract for Federal Legislative Advocacy Services Smith, Dawson & Andrews	10-0216	
	14.	Approve Lease with Trux Airline Cargo Services for Rental of Section with North Field Cargo		

G.

CONSENT CALENDAR OF ROUTINE
ADMINISTRATIVE MATTERS:

15. Airport Parking Professional Services Agreement
- Exercise First One-Year Option to Extend Term -
New South Parking-California 10-0218
16. Award of Contract No. 8843 - Satellite
Communications System - Cyberwatch
Communications, Inc. 10-0219
17. Request for Qualifications and Proposals for
Contract 8791 - Professional Engineering
Services - Pavement Consultant 10-0220
18. Rescind Award of Terminal 2 Specialty Store
Lease to Charles Chocolates, Inc. 10-0221
19. International Terminal Museum/Gallery Store
Lease 10-0222
20. Accept & Expend Federal Grant Funds for
Continuation of Noise Insulation Program 10-0223
21. Bid Call - Contract No. 8561 - High Mast
Lighting Replacement 10-0224
22. Bid Call - Contract No. 8599 - Terminal 1 Energy
Efficient Lighting Improvements 10-0225

H.

NEW BUSINESS:
Taxi shorts

I.

CORRESPONDENCE:

J.

CLOSED SESSION:
Potential Litigation

K.

ADJOURNMENT:

AIRPORT COMMISSION MEETING MINUTES

June 15, 2010

There was no tape recording for this Commission meeting.

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:03 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Linda S. Crayton, Vice President
	Hon. Caryl Ito
	Hon. Eleanor Johns

Absent:	Hon. Rich Guggenhime
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* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 1, 2010 were adopted unanimously.

No. 10-0204

* * *

D. SPECIAL ITEM:

Item Nos. 1 through 10 were called together. They were moved by Commissioner Crayton and seconded by Commissioner Ito.

1. Retirement Resolution for Mr. Adlai Jew

No. 10-0205	Resolution thanking Mr. Adlai Jew for 37 years of faithful service with the City and County of San Francisco, all within the Facilities Division - Civil Engineering, at San Francisco Airport, and to offer best wishes for a long and fruitful retirement.
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2. Retirement Resolution for Mr. Shew ("Steve") Ging Yee

No. 10-0206	Resolution thanking Mr. Steve Yee for 35 years of service, 22 of which were spent in the Facilities Division, Electrical Engineering and to offer best wishes for a long and fruitful retirement.
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3. Retirement Resolution for Mr. Larry Horn

No. 10-0207 Resolution thanking Mr. Larry Horn for 33 years of faithful service to the City & County of San Francisco.

4. Retirement Resolution for Ms. Falesoa Manu

No. 10-0208 Resolution thanking Ms. Falesoa Manu for 28 years of faithful service with the City and County of San Francisco.

5. Retirement Resolution for Ms. Cecelia Cordero

No. 10-0209 Resolution thanking Ms. Cecelia Cordero for 27 years of faithful service to the City & County of San Francisco, with 20 years at SFO, Business and Finance Division, and wishing her the fullest measure of health and happiness in her retirement.

6. Retirement Resolution for Mr. Nianci Wei

No. 10-0210 Resolution thanking Mr. Nianci Wei for 22 years of faithful service and to offer best wishes for a long and fruitful retirement.

7. Retirement Resolution for Ms. Mei Juan Li

No. 10-0211 Resolution thanking Ms. Mei Juan Li for 20 years of faithful service and to offer best wishes for a long and fruitful retirement.

8. Retirement Resolution for Mr. Charlie Freas

No. 10-0212 Resolution thanking Mr. Charlie Freas for 18 years of faithful service with the City and County of San Francisco, all with the Facilities Division at SFO, and to offer best wishes for a long and fruitful retirement.

9. Retirement Resolution for Mr. Joseph Passanisi

No. 10-0213 Resolution thanking Mr. Joseph Passanisi for 15 years of faithful service to the City & County of

10. Retirement Resolution for Melba Maravilla

No. 10-0214

Resolution thanking Ms. Melba Maravilla for 14 years of faithful service to San Francisco Airport, Business and Finance Division, and wishing her the fullest measure of health and happiness.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 11 was moved by Commissioner Crayton and seconded by Commissioner Ito. The item failed to receive approval by a 2 to 2 vote.

11. Award of Contract No. 8823 - Domestic Terminal Garage Concrete Deck Resurfacing - Schembri Construction - \$2,765,870

Resolution awarding Contract No. 8823, Domestic Terminal Garage Concrete Deck Resurfacing, to the lowest responsive, responsible bidder Schembri Construction, in the amount of \$2,765,870.

Item No. 12 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

12. Modification No. 1 Contract No. 8547 - Central Plant High Temperature Hot Water System Improvements - Trico Construction - \$800,000

No. 10-0215

Resolution approving Modification No. 1 to Contract 8547, Central Plant High Temperature Hot Water System Improvements, Trico Construction, in an amount not to exceed \$800,000 for a total contract amount of \$2,666,667.

Item No. 13 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

13. Award of Professional Services Contract for Federal Legislative Advocacy Services Smith, Dawson & Andrews - \$180,000

No. 10-0216

Resolution awarding a new Federal Advocacy Services contract in Washington, D.C. with Smith, Dawson & Andrews as the result of a Request-for-Proposals process in the amount of \$180,000.

Item No. 14 was moved by Commissioner Crayton and seconded by Commissioner Johns. The vote to approve was unanimous.

14. Approval of a Lease with Trux Airline Cargo Services for Rental of a Section with North Field Cargo Building 900

No. 10-0217

Resolution authorizing the Director or his designee to negotiate a lease with Trux Airline Cargo Services under the proposed Trux lease terms described in the memorandum, and, if negotiations are successful, then submit the negotiated lease to the Board of Supervisors and the Mayor for approval by seeking a waiver of the Airport Commission competitive leasing requirement under Administrative Code Section 2A.173.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 15 through 22, was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

15. Airport Parking Professional Services Agreement - Exercise First One-Year Option to Extend Term - New South Parking-California - \$17,169,621

No. 10-0218

Resolution exercising the first one-year option to extend the term of the Professional Services Agreement with new South Parking-California, for the management and operation of the Airport's public and employee parking facilities in an amount not to exceed \$17,169,621.

16. Award of Contract No. 8843 - Satellite Communications System - Cyberwatch Communications, Inc. - \$111,250

No. 10-0219

Resolution awarding Contract No. 8843 for the supply, delivery and installation of a satellite communications system to Cyberwatch Communications, Inc. in the amount of \$111,250.

17. Request for Qualifications and Proposals for Contract No. 8791 - Professional Engineering Services - Pavement Consultant

No. 10-0220

Resolution approving the scope, budget and schedule for Contract No. 8791, Professional Engineering Services - Pavement consultant, and authorizing the Director to request qualifications and proposals.

18. Rescind Award of Terminal 2 Specialty Store Lease to Charles Chocolates, Inc.

No. 10-0221

Resolution rescinding award of the Terminal 2 Specialty Store Lease to Charles Chocolates, Inc. and approving proposed minimum requirements and lease specifications, and authorizing staff to commence a new Request for Proposals process, and conduct an informational conference for the Terminal 2 Specialty Store Lease.

19. International Terminal Museum/Gallery Store Lease

No. 10-0222

Resolution approving the revised minimum qualification requirements and lease specifications, which includes a Minimum Acceptable Proposal Amount of \$125,000 and a 10-year term, and authorizing staff to commence the competitive selection process for the International Terminal Museum/Gallery Store Lease.

20. Accept & Expend Federal Grant Funds for Continuation of Noise Insulation Program - \$1,500,000

No. 10-0223

Resolution authorizing the Director to accept and expend the grant offer from the Federal Aviation Administration (FAA) in an initial amount of \$1,500,000 for continuation of the Noise Insulation Program as well as additional grant funds as may be offered by the FAA pursuant to subsequent amendments to the grant offer.

21. Bid Call - Contract No. 8561 - High Mast Lighting Replacement

No. 10-0224

Resolution approving the scope, budget, and schedule for Contract No. 8561, High Mast Lighting Replacement, and authorizing the Director to call for bids when ready.

22. Bid Call - Contract No. 8599 - Terminal 1 Energy Efficient Lighting Improvements

Resolution approving the scope, budget, and schedule for Contract No. 8599, Terminal 1 Energy Efficient Lighting Improvements, and authorizing the Director to call for bids when ready.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

The following speakers addressed the Commission regarding taxi shorts: Frank Fahy, cab driver; Barry Korengold, Cab Driver's Association; Murai, cab driver; Tone Lee, cab driver.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:40 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

July 6, 2010

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

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Minutes of the Airport Commission Meeting of
July 6, 2010

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
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B.		ROLL CALL:		4
C.		CLOSED SESSION: Potential Litigation		4
D.		ADOPTION OF MINUTES: Regular meeting of June 15, 2010	10-0226	4
E.	1.	SPECIAL ITEM: Retirement Resolution -Glenn McDougall	10-0227	5
F.		ITEMS INITIATED BY COMMISSIONERS:		5
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	2.	Award Contract 8994 - Staff and Manage Curbside Management Program - Five Star Parking/Pacific Park Management, LLC	10-0228	5-10
	3.	Approve Six-Month Option - DAJA Intn'l, to Staff and Manage Curbside Management	10-0229	5-10
	4.	Award Contract 8823 - Domestic Terminal Garage Concrete Deck Resurfacing - Schembri	10-0230	10-11
	5.	Award Contract 8974A - Boarding Area E Refurbishment - Hensel Phelps Construction	10-0231	11-12
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	6.	Award Terminal 2 Newsstands, Coffee and Specialty Store Lease - Host International	10-0232	12
	7.	Modification No. 2 - Contract 8738 - General Airport Security Services - Covenant Aviation	10-0233	12
	8.	Modification No. 2 - Contract 8873A - 575 N. McDonnell Road Office Modernization - BCCI Construction Co.	10-0234	12
	9.	Accept Proposals - Terminal 3 Bookstore Lease	10-0235	13
	10.	Issue RFP - Garage Taxi Staging Area Mobile Catering Truck Lease	10-0236	13

I.	NEW BUSINESS	13
J.	CORRESPONDENCE:	13
K.	ADJOURNMENT:	13

AIRPORT COMMISSION MEETING MINUTES

July 6, 2010

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:03 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenheimer

* * *

C. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:01 AM and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:30 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

D. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 15, 2010 were adopted unanimously.

No. 10-0226

* * *

E. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Caryton and seconded by Commissioner Ito. The vote to approve was unanimous.

1. Retirement Resolution for Mr. Glenn McDougall

No. 10-0227

Resolution thanking Mr. Glenn McDougall for more than thirty-three (33) years of faithful service with the City and County of San Francisco.

Mr. John Martin, Airport Director said Glenn is retiring after 33 years of service to the City. All of those 33 years have been at the Airport as a Clerk Typist working in the Reprographics section, Commission Secretary's Office, and the Ground Transportation Permit Office. Glenn has always been a very dedicated, enthusiastic, loyal employee and his co-workers have enjoyed working with him. On a personal note, Glenn has inspired me as runner. He has been a runner for 33 years. So Glenn, thank you for your great service to the Airport over the years.

Commissioner Mazzola congratulated Mr. McDougall.

Mr. McDougall said it's been a pleasure serving the Airport. These are very dedicated people. He has seen a lot of changes in 33 years. The Airport has gone through tremendous growth ... it's always expanding and trying to be a convenient place for the public. I have been doing my best all these years to serve the City and County and I'm looking forward to retirement. Thank you.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 2 and 3 were called together but voted on separately. Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote was 4-1, with Commissioner Ito casting the dissenting vote.

2. Award Contract 8994 - Staff and Manage the Curbside Management Program - Five Star Parking/Pacific Park Management, LLC - \$10,450,000

No. 10-0228

Resolution awarding Contract No. 8994 to staff and manage the Curbside Management Program to Five Star Parking/Pacific Park Management, LLC in an amount not-to-exceed \$10,450,000 for a period of 30 months effective January 1, 2011 with up to four additional one-year options exercisable at the sole discretion of the Commission.

Mr. Tryg McCoy, Deputy Director, Operations & Security, said that Item No. 2 is a awards Contract No. 8994 to staff and manage the Curbside Management Program to Five Star/Pacific Park Management, LLC. The proposed contract duration is for 30 months, effective January 1, 2011, with up to three additional one year options to renew at the sole discretion of the Commission. The not to exceed cost for the initial 30 month term is approximately \$10,450,000.

The total potential contract award, including the initial 30 month term and the three one year options, will be approximately \$25.5 million and will therefore require Board of Supervisors approval.

This recommendation is the result of a competitive selection process that began January 12th of this year when the Commission approved Resolution 10-0010 authorizing Airport staff to issue a Request for Proposals for a contractor to staff and manage the Airport's curbside and to enter into contract negotiations with the highest scoring proposer for a two-year agreement that was to have commenced on July 1, 2010. The RFP, which was issued on February 1, 2010, also included the four, one year options to renew at the sole discretion of the Commission. Because Airport management contracts are subject to federal non-discrimination provisions, the City's LBE discount and subcontracting requirements do not apply.

A three-person evaluation panel reviewed and scored the written proposals by two firms, a joint venture of Five Star Parking/Pacific Park Management, LLC and DAJA International, LLC. The evaluation panel also held and scored oral interviews. The oral interview scores were added to the points awarded for the written proposal to derive a total score. The written proposal was evaluated by each of the three panel members and scored on 31 separate criteria components. The total score was added to the panel's scoring of 11 components for the oral presentation resulting in a grand total score with Five Star/Pacific Park Management scoring higher than DAJA.

After both firms were notified of the results, Airport staff began negotiations with Five Star and DAJA filed a bid protest. DAJA's bid protest alleged that the panelists failed to give sufficient consideration to DAJA's past 11 years of experience managing the Airport's curbside. The protest further questioned the voting pattern of one of the panelists. DAJA's president and it's attorney met with a Deputy from the City Attorney's Office to raise some of these safe concerns. Neither DAJA nor it's counsel provided any evidence of irregularity in the process, establishing a basis for concluding that the evaluation panel's determination was not made in accordance with the criteria set forth in the RFP. Airport staff and the City Attorney's Office have carefully evaluated the protest claims and determined them to be without merit. DAJA also filed a Sunshine request for the documents related to the RFP as well as for any relevant communications between the Mayor's Office and the Airport on this subject. The Airport and the Mayor's Office submitted the relevant documents and we are confident that the documents produced are complete and do not include any irregularities for the RFP process.

Due to the delay caused by the bid protest, staff was unable to bring the proposal to the Commission until today. The original goal of a July 1st contract start date cannot be met, particularly in light of the fact that the award is in excess of \$10

million and the City Charter requires approval by the Board of Supervisors.

The contract start date has been adjusted from July 1, 2010 to January 1, 2011 to allow time for Board of Supervisors' approval and for an orderly transition from the current curbside management provider Five Star/Pacific Park Management. The initial term, as listed in the RFP, of two years with four additional one year options, totaling the potential award of 72 months has been revised to 30 months with three, one year options for a potential award of 66 months.

Five Star/ PPM is required to comply with all terms of the Worker Retention Policy.

This six month delay in the contract award requires Commission approval of companion Item No. 3 on the calendar ... Modification No. 2 to the DAJA contract providing a six month option to extend DAJA's term from July 1, 2010 to December 31, 2010 at a cost not to exceed \$1,960,000, for a new contract amount not to exceed \$8.5 million.

On May 27, 2008 this Commission adopted Resolution 08-0101 awarding DAJA International, LLC with a contract to staff and manage the Airport's curbside management program for a one year term beginning July 1, 2008 with a one year option and a 6 month option to renew at the sole discretion of the Commission. On March 3, 2009 this Commission approved the one year option extending the term of the contract to June 30, 2010. The final six month option remains under the contract which I'm seeking approval for today.

Because of the delay in awarding this contract stemming from the bid protest and anticipated calendar scheduling delays at the Board of Supervisors due to the Board 's budget hearings and summer recess, it is necessary to extend the existing contract with DAJA for the final six month term. Item No. 3 approves Modification No. 2 to the DAJA exercising the six month renewal option to staff and manage the Airport's curbside management program. The term is from July 1, 2010 through December 31, 2010 in an amount not to exceed \$1,960,000 for the 6-month option period and for new contract amount not to exceed \$8,500,000.

Commissioner Ito understood that SFO's curbside management program is unique in terms of the service that we offer. We did have to cut back some services a few years back because of budgetary constraints. Can you explain if other airports have adopted our service level and what kind of qualifications Five Star brings in terms of curbside management.

Mr. McCoy responded that we have done a lot of research since this RFP was contemplated. We have the most complex curbside coordination program of any large airport in the country. Ours is unique in that most large airports have either a contract for taxis with one or two providers, or a contract with limousines for one or two providers. No one has our situation where we have any number of taxi companies being coordinated by a contractor on a walk up on demand basis. Partial coordination of the limousines and the fact that we coordinate and just block a curbside. We really aren't involved with the limousine operation ... we don't help passengers select limousines because they're done only on a prearranged basis. Our shared ride portion of the curbside is very complex. We

have 11 companies operating in four different terminals, three different zones in three terminals. Now Terminal 2 opening, it's complex and unique. No one else has one quite as complex as this. Five Star ran the curbside at JFK for a number of years. They're not currently doing it. They ran it in the recent past and that's where they have their experience. They have brought in or have proposed that management from that Kennedy operation would come and manage and start up the operation here in San Francisco. That's how they met their qualifications. If we required a company to have the same qualifications that the current provider has, there would be no competition.

Commissioner Ito said that's why she was asking to open this u for competition. What was some of the criteria that you would be looking for that would indicate the ability to manage a more complex system? I'm not familiar with JFK's system. They don't have as many taxi cab companies going to that airport. It's like going for a job interview if you don't have a certain degree you have to compensate with other experience so. What were those other differentials to supplement, or to provide that kind of experience?

Mr. McCoy did not recall if we required three or five years experience, although he believed that it was five years experience in managing the curbside at a large domestic US airport, and Five Star did have that background from Kennedy only. They managed their version of the limousine on demand walk up service for shared ride taxis and limousines. It was as comparable as we could find. It is noteworthy that we only had two bidders because our standards were so high that Five Star was the only other company that met our minimum requirements.

Mr. Ray Sloan, representing the Ride Share Association said that this is the most important contract that affects the shuttle companies coming into SFO. This is the most expensive item in running a company. Some of the smaller companies are paying as much as \$7,000 and \$10,000 a month for the curbside. We've believed all along that there are ways to streamline the system, reduce the cost, and give the breaks to the drivers and the companies. Recently, when BART added a surcharge to come to the Airport the unions got together and over a period of 6 months were able to negotiate to take that out in some form. Unfortunately, we did not participate in this. We didn't even know of this RFP. Several years ago he was told by this Commission that when this contract came up he would be informed. None of the owners knew about this RFP. He just met the people being awarded this contract and they agreed to meet with the owners ... they have some serious concerns.

Mr. Michael Sweet, representing DAJA International, said that he has been DAJA's attorney for a number of years and has handled a number of matters for them. They haven't sued anyone, but have worked through issues amicably. This is the first time they have been in front of the Commission. We are still analyzing where this goes. You heard from staff about the protest, you heard from staff about the sunshine request that we've made. I drafted a letter to each Commissioner several weeks ago. To that May 24th was attached the original bid protest letter explaining our client's position and concerns about this contract. We are doing due diligence as evidenced by the Sunshine request. Staff said that they responded to our request and they did. They sent a voluminous

response the middle of last week and told us last Friday, the day before the holiday weekend, that there wouldn't be any more documents forthcoming. We went through those documents and we have a number of questions. We are taking a close look and I would ask you do the same. Look at the time line as to what happened here. On May 7th a letter went out advising my client that the decision had been made to award the contract to another company. May 14th, as required under the RFP, my client submitted its protest letter which was attached to my May 24th letter. May 17th, three days later, a letter comes back saying that the staff is comfortable with the process, that the process went forward properly, and that the concerns raised by my client in the protest letter were not well founded. I sent a letter to you a few days later, May 24th, outlining the concerns in the process and asking everyone to take a closer look at what happened. One week after that, on June 1st, we learned this from the Sunshine request, emails went out to what looks like an email list of 146 airports around the country asking questions about the winning bidder ... are they providing parking management services; are they providing curbside management services; are they performing the responsibilities of the contract; are there issues of non payment? These are questions that should have come up during the due diligence period, if due diligence had been done. Why are these questions are being asked now? There are a lot of questions that need to be asked. The process needs to be re-evaluated. I hope you will take a step back do that.

Ms. Jackie Besser, DAJA International, said that she is present because she feels that this process should be thrown out and re-bid. She expressed her appreciation for the honor and privilege of serving this Airport over the last decade and managing curbside management. Secondly, in all her 15 years of providing service or in doing business, never once have they filed a protest. It's not something they do as a company, and not something they plan on doing again.

Over the years they have won some and lost some but they have never been faced with this. It's expected that you will lose and she is fully prepared as owner of a company to lose some times. But in this process there is room for concern; there is room to reconsider. My bottom line is that the selection panel selected a team with a higher cost and they selected a team with less experience and I beg to differ with the fact there are other companies out there that do curbside management on a comprehensive level. The City of Portland has a comprehensive service. It's not as big an airport as San Francisco, but they do manage everything, and there are other airports that have comprehensive service. In terms of looking at relevant experience, my company far exceeds the experience level of our opponent ... and our cost is less. How can this happen? A mistake had to have been made, and that this process should be reconsidered.

Gil Sharabi, Airport Express, also asked for a delay, if not a new bid. He does not believe that they have addressed what the actual costs are. For example, Terminal 2 is opening up and they don't know how they're going to run it yet, so their bid does not reflect the true cost ... it could be higher or it could be less. As Mr. Sloan mentioned earlier, it's the biggest cost to our industry and our industry uses the coordinators more than anyone else. We were not consulted and we don't know what our costs will be. We don't know if the cost will go up; we don't know how they are going to coordinate it. DAJA has been doing it for many, many

years. It's not the easiest job in the world ... it's complicated, but it doesn't have to be. For many years we have given many very simple ways to streamline the business and cost much less to operate. It will reduce emissions, create better service, eliminate what many people in the industry consider unfair business practice, meaning there is a particular shuttle company that is arbitrarily given certain zone allocations. This streamlining is something that will not only increase service but dramatically reduce the coordination cost for everyone involved. We have talked about reorganizing the zones. Lately, we have received support to the point where they want to start looking into it. However, until they actually look at the zones, the new terminal opening up it's impossible for them to judge the cost. And the cost is a major concern for the companies. Maybe there was an issue with due diligence. Because there are so many factors that could change the cost dramatically, we think there should be a postponement at least until Terminal 2 opens. Working with someone new at this point will make our job more difficult. If we could just take a step back and consider the cost, it might be more appropriate to bid at that point.

Commissioner Ito said that she is voting no. In the 12 years she has served on this Commission, this is second time she has objected to what she feels could have been a better process. With all due respect to our staff and our City Attorney team, she feels that there are some questions left on the table.

Item No. 3 was moved by Commissioner Johns and seconded by Commissioner Guggenheim. The vote to approve was unanimous.

3. Approval of the Six-month Contract Renewal Option with DAJA International, LLC to Staff and Manage the Airport's Curbside Management Program

No. 10-0229	Resolution exercising the six-month contract renewal option with DAJA International, LLC to staff and manage the Airport's Curbside Management Program for the period from July 1, 2010 through December 31, 2010 at a cost not to exceed \$1,960,000 for the six-month option period, for a total not-to-exceed contract amount of \$8,500,000.
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Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Johns. The vote to approve was 4-1 with Commissioner Mazzola casting the dissenting vote.

4. Award of Contract No. 8823 - Domestic Terminal Garage Concrete Deck Resurfacing - Schembri Construction - \$2,765,870

No. 10-0230	Resolution awarding Contract No. 8823, Domestic Terminal Garage Concrete Deck Resurfacing, to the lowest responsive, responsible bidder, Schembri Construction in the amount of
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\$2,765,870.

Item No. 5 was moved by Commissioner Guggenhime and seconded by Commissioner Mazzola. The vote to approve was unanimous.

5. Award of Contract No. 8974A - Boarding Area E Refurbishment - Hensel Phelps Construction Company - \$2,862,500

No. 10-0231 Resolution awarding Contract 8974.A, Boarding Area E Refurbishment to Hensel Phelps Construction Company, for design-building services in the initial amount of \$2,862,500.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction, explained that this contract provides for design-build services for the refurbishment of Boarding Area E project. Staff has completed the RFQ/RFP process and with the assistance of the selection panel, has determined Hensel Phelps to be the highest ranked proposer.

In response to the RFP, the Airport received proposals from the five pre-qualified firms that were established at the RFQ stage. The proposers were Hensel Phelps with KPA; Swinerton Builders with Burns, and McHunt Construction with Gerson Overstreet, Walsh Construction with Jacobs Consultancy; and Turner Construction with PGH Wong Engineering.

We reviewed Turner's proposal and determined that they did not meet the minimum review criteria because they had changed the membership of their team that was submitted in the qualifications package. The selection panel reviewed the four remaining packages submitted by the four teams, conducted interviews of the firms and the key personnel, and then scored the firms based on the review of the proposals and the interviews. In accordance with City requirements, the scoring was based on 65% cost and 35% qualifications. The cost criteria was determined through a calculation of the proposed design fee, which is a fixed fee, general conditions cost, mobilization cost and a multiplier for overhead and profit which is to be provided to the subcontracted trade bid packages. Hensel Phelps with KPA was determined to be the highest rank firm with a score of 192.8 representing the best value to the Airport for design build services. The initial award amount of \$2,862,500 will fund the design fee, the mobilization, the general conditions cost, and will provide for an allowance of \$300,000 for early construction activities. This process is very similar to what we used we use in Terminal 2 and the secure connector. We will return to you with award of trade bid packages as the design evolves and the packages are competitively bid to a minimum of three pre-qualified subcontractors. At each stage of the award process, we will update you on the cost forecast, in comparison to the established budget, with recommended mitigations of any cost and schedule issues, as necessary. The total Guaranteed Maximum Price (GMP) will be known towards the end of the bidding process and we will return to you with a recommendation to award a GMP to Hensel Phelps.

The HRC LBE goal for design services is 20% and the goal for construction

services is 18%. Hensel Phelps has committed to achieving 27% LBE participation in the design services and we will work with Hensel Phelps and the HRC to develop individual goals on the construction subcontractor trade packages to achieve this overall goal. We will also develop, similar to the T2 program, an LBE / all San Francisco-based firm participation program to try to approve upon the LBE performance as well as to establish a goal for all SF firm participation similar to the model used for the Terminal 2 program. Funding is provided from the Airport's capital improvement program. We have a substantial completion date of March, 2012.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 6 through 10, was moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

6. Award of Terminal 2 Newsstands, Coffee, and Specialty Store Lease - Host International, Inc. - Minimum Annual Guarantee: \$1,126,000

No. 10-0232	Resolution awarding the Terminal 2 Newsstands, Coffee, and Specialty Stores Lease to Host International, Inc. with a term of 10 years and a minimum annual guarantee of \$1,126,000 for the first lease year, and directing the Commission Secretary to request approval of the Lease from the Board of Supervisors.
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7. Modification No. 2 to Contract No. 8738 - General Airport Security Services Covenant Aviation Security, LLC - \$760,000

No. 10-0233	Resolution approving Modification No. 2 to Contract 8738, General Airport Security Services Contract, with Covenant Aviation Security, LLC to extend contract for a period of one year, and increase the contract amount by \$760,000 for a not-to-exceed total contract amount of \$2,910,000.
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8. Modification No. 2 to Contract No. 8873A - 575 N. McDonnell Road Office Modernization - BCCI Construction Company - \$490,000

No. 10-0234	Resolution approving Modification No. 2 to Contract 8873A, 575 N. McDonnell Road Office Modernization, with BCCI Construction Co., in an amount not-to-exceed \$490,000 for building amenities, electrical and signal omitted scope, and new office scope, for a new total contract amount not to exceed \$8,898,331.
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SAN FRANCISCO AIRPORT COMMISSION



MINUTES

July 20, 2010

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

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Minutes of the Airport Commission Meeting of
July 20, 2010

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	2.	Retirement Resolution - Marilyn Chin-Navas	10-0239	5
	3.	Retirement Resolution - Arcilia Anguiano-Clements	10-0240	5
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E.		DIRECTOR'S REPORT:		
	5.	Emergency Response Boathouse		6, 8-10
F.		ITEMS INITIATED BY COMMISSIONERS:		
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	6.	Approve Selection Panel's Recommendation and Authorize Negotiations and Prepare Professional Services Agreement for Contract 8974.9 - Construction Management Services for Terminal 3/Boarding Area Refurbishment Project	10-0242	6-7
	7.	Supplement Grant Funding for Advanced Hydrogen Vehicle Fueling Facilities	10-0243	7-8
	8.	Supplemental Lease Agreement No. 9 to Lease Agreement DTCG89-04-L-6-63-012 with USA for Land Occupied by U.S. Coast Guard on Plot 42	10-0244	8-10
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	9.	Modification No. 1 to Professional Services Agree- ment 8963 - URS Corp for Runway Safety Area Program	10-0245	10
	10.	Modification No. 3 to Contract 8861 - Airport Threat and Security Vulnerability Assessment - NASS	10-0246	10

11.	Approve Specifications and Authorization to Accept Proposals - Terminal 3, Boarding Area F Gourmet Food and Gift Store Retail Lease	10-0247	10-11
12.	Request for Qualifications and Proposals - Contract 9019 - Professional Services - Access Control System Consultant	10-0248	11
13.	Request for Proposal - Design-Build Services Contract 8970 - CCTV Advanced Surveillance Program	10-0249	11
14.	Bid Call - Contract 8496 - AOA Security Checkpoint Improvements	10-0250	11
15.	Modification No. 1 to Lease L01-0297 - Japan Airlines Co., Ltd. at Building 944 at Plot 50B-1	10-0251	11
16.	Modification No. 21 to SFO Shuttle Bus Contract Adjusting Basic and Incremental Rate and Reconciliation of Pension and Health and Welfare Premium	10-0252	11-12
I.	NEW BUSINESS:		12
J.	CORRESPONDENCE:		12
K.	CLOSED SESSION: Settlement: Danielle Rinsler Potential Litigation;		12
L.	ADJOURNMENT:		13

AIRPORT COMMISSION MEETING MINUTES

July 20, 2010

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Linda S. Crayton, Vice President
	Hon. Caryl Ito
	Hon. Eleanor Johns
	Hon. Rich Guggenheimer

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of July 6, 2010 were adopted unanimously.

No. 10-0237

* * *

D. SPECIAL ITEMS:

Item nos. 1 through 4 were called together. The items were moved by Commissioner Ito and seconded by Commissioner Crayton. The vote to approve was unanimous.

1. Retirement Resolution - Ms. Joy Murphy

No. 10-0238	Resolution thanking Ms. Joy Murphy for 40 years and 5 months of faithful service with the City and County of San Francisco.
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Mr. John L. Martin, Airport Director, said Joy is retiring after 40 years of service to the Airport. Joy began as a Jr. Clerk Typist and was promoted to Clerk Typist; she became an Airfield Safety Officer in 1980, and Operations Supervisor in 1996. Joy had an outstanding career with the Airport. She spent the last 14 years in a leadership position in Airfield Safety. She handled all VIP coordination for four U.S. Presidents. Joy has always done an outstanding job for the Airport and we thank Joy for her outstanding years of service to SFO.

Ms. Joy Murphy said that she has had a wonderful career. She thanked the Airport and Mr. Martin. She began her career two weeks after she was 20, and she is retiring two weeks before she turns 60. She has been with the Airport most of her

life and has enjoyed every minute. She hopes to do something associated with the Airport because it's a great place.

2. Retirement Resolution - Ms. Marilyn Chin-Navas

No. 10-0239

Resolution thanking Ms. Marilyn Chin-Navas for more than 30 years of faithful service with the City and County of San Francisco.

Mr. Martin said that Marilyn Chin-Navas is retiring after 36 years of service. She started as an Accountant and became a Sr. Management Assistant working in Landside Operations. Marilyn is known for her high level of dedication and her great organizational skills. He thanked Marilyn for her outstanding years of service.

3. Retirement Resolution - Ms. Arcilia Anguiano-Clements

No. 10-0240

Resolution thanking Ms. Arcilia Anguiano-Clements for 29 years and 5 months of faithful service with the City and County of San Francisco.

Mr. Martin said that Arcilia has worked for the Airport for almost 30 years as an Airfield Safety Officer handling inspection enforcement and reporting. She is known for her mentoring of new employees. Arcilia has had a long career of dedicated service to SFO and we thank Arcilia for her outstanding work.

Ms. Anguiano-Clements thanked the Director and the Commission for a wonderful experience.

4. Retirement Resolution - Mr. John Turkington

No. 10-0241

Resolution thanking Mr. John Turkington for 18 years of faithful service with the City and County of San Francisco.

Mr. Martin said that John is retiring after 18 years of service at the Airport. John started in the License and Permit Bureau and then moved to Airfield Safety as an Airfield Safety Officer who also played a critical role in handling inspection, enforcement and reporting. Known as a go-to officer capable of performing any task, John was very adaptable to the changing Airport environment. He thanked Mr. Turkington for his service.

Mr. Turkington said that he has enjoyed his time at SFO. He actually began his career with Pan Am and worked with the airline for 25 years before joining the City.

Mr. Tryg McCoy, Deputy Director, Operations & Security thanked his employees ... Joy, John and Arcilia for holding together the Airfield department for him in a great way. These are rock solid employees who will be greatly missed. We will carry on

and develop new employees but we will miss their leadership and how they maintained our airfield in a safe, secure manner during the time they were out there.

Commissioner Mazzola congratulated each of the employees and thanked them for their service.

* * *

E. DIRECTOR'S REPORT:

Item No. 5 was discussed with Item No. 8.

5. Report on the Emergency Response Boathouse - Verbal Report

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 6 was moved by Commissioner Crayton and seconded by Commissioner Guggenlime. The vote to approve was unanimous.

6. Approve Selection Panel's Recommendation and Authorize Entering into Negotiations and Preparing Professional Services Agreement for Contract 8974.9 - Construction Management Services for Terminal 3/Boarding Area E Refurbishment Project

No. 10-0242

Resolution approving recommendation of the Selection Panel and authorizing Staff to enter into negotiations and prepare a Professional Services Agreement for Contract No. 8974.9, Construction Management Services for Terminal 3 / Boarding Area E Refurbishment project.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction said that this item recommends selection of PGH Wong Engineering as the highest ranked proposer to provide Construction Management services in support of the Boarding Area E Furbishment project.

The Airport requires construction management services to implement the Boarding Area E project, a fast-track project to provide for a refreshed facility following the relocation of American Airlines to Terminal 2 in 2011. The Boarding Area E airline tenants will be Continental, US Air and Air Canada. Project completion will be April 2012, prior to the peak summer travel season. The team of Hensel Phelps/KPA was awarded the design-build contract for this project at the last meeting.

A selection panel was convened to conduct the RFP process. The RFP was issued to the seven firms on the project management/construction management support "pool list" and six proposals were received. Based on the selection panel's review of the proposals, staff shortlisted the three highest ranked firms for the interview phase ... PGH Wong, URS/ECS and EPC/CM West. Based on the selection panel's scoring of the proposals and interviews, and application of the 7.5% LBE rating bonus to the URS/ECS and EPC/CM West teams, PGH Wong Engineering was determined to be the highest ranked firm with a score of 172 out of 200 points.

Based on the results of the ranking, staff requests authorization to enter into negotiations with PGH Wong Engineering. Pending successful completion of negotiations, staff will return to the Commission with a recommendation to award a professional services contract.

PGH Wong has committed to 20.55% LBE subcontractor participation, compared to 18% participation goal.

Commissioner Ito said that she was happy to see they are exceeding the LBE goals. She noted that the scores were very close and asked what the outstanding factors were that brought PGH Wong over the top.

Mr. Satero responded that although the scoring was fairly close, the rating bonus was not reflected in the scoring. Both the second and third ranked firms received the rating bonus so in the technical proposals and the interviews there was more of a gap than the scores that are shown here. The PGH Wong team has a project manager that has had extensive experience in airports and similar facilities. As well, their project controls manager has worked on projects at SFO in the past, so it was the experience of their key personnel that tipped the scales.

Item No. 7 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

7. Supplemental Grant Funding for Advanced Hydrogen Vehicle

No. 10-0243

Resolution authorizing staff to seek, accept and expend up to \$500,000 from the California Energy Commission to fund a portion of the utility costs necessary to support a hydrogen vehicle fueling infrastructure at SFO.

Mr. Tryg McCoy, Deputy Director, Operations and Security, said that hydrogen and a mixture of hydrogen and natural gas named hythane are clean burning, low carbon emitting vehicle fuels that may become successful alternate fuels of the future. Early last year the Airport was approached by a team of vendors and government agencies asking the Airport to provide the location for an advanced fuel Hythane and pure hydrogen fueling station. The Commission approved the project by Resolution 09-0021 which allowed the Airport to accept a grant of \$1.7M for the project. The grant funds will be administered by the Airport and used to reimburse the California Air Resource Board's approved vendors to develop the station on a

lot located at the far southwest end of the Airport, located on South McDonnell Road, near Millbrae Avenue. The plot of land has been used in the past to store construction equipment and has never been developed for tenant use. The lot currently does not have electrical service or water.

This item seeks Commission approval to accept a grant from the California Energy Commission in the amount of \$500,000 to reimburse the Airport for half of the cost to supply power to the site. Additional funding for the power and water service will come from existing previously approved infrastructure projects. The Airport benefits by having power and water extended to this remote portion of the Airport at half the cost.

This will be a three year lease with three, one year options. The power and water infrastructure extension can be expected to last in excess of 25-30 years.

Commissioner Crayton asked if our CNG cars will be able to use this station.

Mr. McCoy responded that it is a hybrid fuel ... a combination of CNG and hydrogen. There is another grant of \$2 million that goes directly to the station suppliers and also purchases vehicles for San Mateo County that would run on hythane.

Mr. Martin noted that CNG cars cannot take hythane.

Mr. McCoy said that they cannot.

Commissioner Mazzola asked, so the tragic accident, a few months back, where that one exploded, was what?

Mr. McCoy replied, that was a regular gasoline taxi. There was a statement made I believe that someone thought it was CNG, but it was a regular taxi.

Commissioner Mazzola asked about the trip fee.

Mr. McCoy responded that the incentive for off-Airport parking operators and off-Airport hotel bus operators to use hythane will be a discount on the trip fee. There will be no disincentive applied to those that don't use hythane. We're already at about 98% CNG for off-Airport hotels and parking lot operators.

Item No. 8 was moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

8. Supplemental Lease Agreement No. 9 to Lease Agreement DTCG89-04-L-6-63-012 with the United States of America for Land Occupied by the U.S. Coast Guard at Plot 42 to Modify the Demised Premises

No. 10-0244

Resolution approving Supplemental Lease Agreement No. 9 to Lease Agreement DTCG89-04-L-6-63-012 with the United States of America for land located at Plot 42, adjacent to the U.S. Coast

Guard Air Station, to reduce the demised premises to accommodate the construction of the Airport's Emergency Response Marine Rescue Facility.

Mr. McCoy said that because Item No. 8 on today's calendar concerns the space needed to access a Marine Emergency Response Facility, and in the next few months another related item will be presented concerning a construction contract award for that facility, he offered a brief background on the facility.

Because the Airport is surrounded on two sides by water, the FAA requires us to be able to respond as quickly as possible to an aircraft that may land in the water with sufficient equipment to recover passengers from the largest seating capacity aircraft that serves SFO. Today we meet the requirement by launching our three boats from the 1950 area sea plane ramp located within the Superbay. With construction of this new boathouse, because boats will already be in the water, our response time to the end of the runway 28 will be reduced from approximately 23 minutes to 9 minutes.

The Airport's 2010 Five Year Capital Plan includes a \$4.6M project to construct a new in-water Emergency Response Facility adjacent to the U.S. Coast Guard facility. The computer rendering before the Commission is of the elevated concrete causeway and the exterior of the facility we refer to as the boat house. The boat house itself will be supported by concrete piles. The floating dock will accommodate our new 44' low draft boat, our 27' Boston Wailer, an 18' zodiac, two jet skis and scuba equipment. Our boats carry sufficient rafts and floatation devices to get 400 people out of the water, not by bringing them all on board the boats but by deploying life boats, floatation devices and inflatable walkways that people can get on and then be towed to shore.

Keep in mind that it was in late 1959, or early 1960 when a Japan Air Lines aircraft landed short. What prompted us to move forward was the US Air event in the Hudson River.

This site was selected because it is the best location to build the minimum size causeway and shelter that will keep the boats floating above the low tides.

The Coast Guard has leased a small strip of land for \$1.00 per year. Since that piece of land is needed for parking for Airport Fire and Police Departments the Coast Guard is relinquishing it. Item #8 amends the current lease with the Coast Guard and reverts some of this space back to the Airport.

Permits by the BCDC to construct this boat house were granted to the Airport over 10 years ago. The Airport is working with the BCDC staff for permission to construct the facility as it is now envisioned, which is slightly different than what was envisioned in 1999 when the permit was issued. Once the permits are finalized we will return for Commission approval to issue a design/build contract for construction.

It's been designed and is fully funded. We have spoken with the Coast Guard and we have done a lot research on boathouses in the Bay Area and some of the best ideas from boathouses from around the world. The FAA is very excited that we're

doing this. At the FAA's request, he has made a presentations to other airports about our plans.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 9 through 16, was moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

9. Modification No. 1 to Professional Services Agreement No. 8963 with URS Corporation to include NEPA and CEQA Environmental Services for the Runway Safety Area Program - Not-To-Exceed Amount of \$1,400,000

No. 10-0245	Resolution approving Modification No. 1 to Professional Services Agreement No. 8963 with URS Corp. to increase scope and budget in an amount not-to-exceed \$1,400,000 to provide consultant services for the NEPA and CEQA environmental review and documentation for the federally funded Runway Safety Area Program, for a total contract amount not-to-exceed \$1,950,000.
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Commissioner Johns asked what was in this space.

Mr. Leo Fermin, Deputy Director, Business and Finance responded that this is the Swatch Watch lease which is expiring.

Commissioner Johns asked why they didn't want to renew their lease.

Mr. Fermin responded that the lease is expiring and we are required to go out to bid for a new lease.

Mr. Martin added that we are re-concepting the area.

10. Modification No. 3 to Contract No. 8861 - Airport Threat and Security Vulnerability Assessment - NASS - \$100,000

No. 10-0246	Resolution approving Modification No. 3 to Contract No. 8861, Airport Threat and Security Vulnerability Assessment with NASS and increasing the contract amount by \$100,000 for a new total not-to-exceed amount of \$750,000.
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11. Approve Specifications and Authorization to Accept Proposals - Terminal 3, Boarding Area F Gourmet Food and Gift Store Retail Lease

No. 10-0247	Resolution approving the lease specifications,
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minimum qualifications, and proposal requirements, and authorizing staff to accept proposals for the Terminal 3, Boarding Area F Gourmet Food and Gift Store Retail Lease.

12. Request for Qualifications and Proposals for Contract No. 9019 - Professional Services - Access Control System Consultant

No. 10-0248

Resolution approving scope, budget, and schedule for Contract No. 9019, Professional Engineering Services - Access Control System Consultant, and to authorize the Director to request for qualifications and proposals.

Commissioner Johns asked what is meant by "access control system?"

Mr. Martin responded that it is our biometric card reader.

13. Request for Proposal for Design-Build Services - Contract No. 8970 - Closed Circuit Television Advanced Surveillance Program

No. 10-0249

Resolution authorizing issuance of a Request for Proposal for Design-Build Services for Contract No. 8970, Closed Circuit Television (CCTV) Advanced Surveillance Program.

14. Bid Call - Contract No. 8496 - AOA Security Checkpoints Improvements

No. 10-0250

Resolution approving the scope, budget, and schedule for Contract No. 8496, AOA Security Checkpoints Improvements, and authorizing the Director to call for bids when ready.

15. Modification No. 1 to Lease L01-0297 with Japan Airlines Company Ltd., for Building 944 at Plot 50B-1

No. 10-0251

Resolution approving Modification No. 1 to lease L01-0297 with Japan Airlines Co. Ltd. for cargo warehouse space at Building 944 on Plot 50B-1 to reduce the demised premises, and 2) directing the Commission Secretary to request approval of the lease modification by the Board of Supervisors.

16. Modification No. 21 to the SFO Shuttle Bus Contract Adjusting Basic and Incremental Rate and Reconciliation of Pension and Health and Welfare Premium

Resolution approving Modification No. 21 to the SFO Shuttle Bus Company contract adjusting the basic hourly and incremental billing rates for the period January 1, 2010 through December 31, 2010 and reconciliation of pension and health and welfare premiums for calendar year 2009.

* * *

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:27 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to consider recommending that the Board of Supervisors approve the settlement of the unlitigated claim of Danielle J. Rinsler (Govt. Claim No. 10-01422; Dept. of Fair Emp. and Housing No. E200910A0351-rsc) on terms recommended by the City Attorney; and Government Code Section 54956.9(b) to confer with legal

counsel regarding potential litigation.

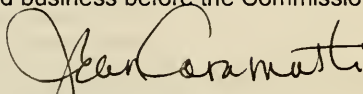
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:49 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:50 A.M.



Jean Caramatti
Commission Secretary

SAN FRANCISCO Airport COMMISSION



MINUTES

August 3, 2010

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

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Minutes of the Airport Commission Meeting of
August 3, 2010

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		4
B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES: Regular meeting of July 20, 2010	10-0254	
D.		ANNOUNCEMENT BY SECRETARY:		4
E.		SPECIAL ITEMS:		
	1.	Retirement Resolution - Michael Ottoboni	10-0255	5
	2.	Retirement Resolution - Sekio Fuapopo	10-0256	4-5
	3.	Retirement Resolution - Kit Man Luk	10-0257	5
	4.	Retirement Resolution - Juan Ayala	10-0258	5
	5.	Retirement Resolution - Lan Ngoc Trinh	10-0259	5
	6.	Retirement Resolution - Raymond C. Tsui	10-0260	6
	7.	Retirement Resolution - Wai Chiu Chu	10-0261	6
	8.	Retirement Resolution - Vinh Dang	10-0262	6
	9.	Retirement Resolution - Tom Lau	10-0263	6
	10.	Retirement Resolution - Yin W. Li	10-0264	6-7
F.		ITEMS INITIATED BY COMMISSIONERS:		7
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	11.	Award Professional Service Agreement-Contract 8974.9 - C.M. Services - Terminal 3 / B/A Area E Refurbishment - PGH Wong Engineering	10-0265	7-8
	12.	RFP for Professional Services, Contract 9015.9 - C.M. Services for Replacement Air Traffic Control Tower / Terminal 1 Complex Redevelopment	10-0266	8-9
	13.	OTA with FAA for Replacement Airport Traffic Control Tower and FAA Offices	10-0267	9-11
H.		CONSENT CALENDAR OF ROUTINE		

ADMINISTRATIVE MATTERS:

14.	OTA with TSA for Baggage Screening Safety and Optimization Project	10-0268	11
15.	Award Professional Services Contract 8883 - Provide issuing and Paying Agent Services - Deutsche Bank National Trust Company	10-0269	11
16.	Award Contract 8924A - Assess Feasibility & Cost to Secure LEED Existing Building Operations and Maintenance Certification at SFO Terminal Complex - Vanasse, Hangen, Brustlin, Inc.	10-0270	11-12
I.	NEW BUSINESS:		12
J.	CORRESPONDENCE:		12
K.	CLOSED SESSION: Potential Litigation		12
L.	ADJOURNMENT:		12

Airport COMMISSION MEETING MINUTES

August 3, 2010

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:

Hon. Larry Mazzola, President

Hon. Caryl Ito

Hon. Eleanor Johns

Absent:

Hon. Linda S. Crayton, Vice President

Hon. Richard J. Guggenheim

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of July 20, 2010 were adopted unanimously.

No. 10-0254

* * *

- D. ANNOUNCEMENT BY SECRETARY: Unanimous adoption of Resolution No. 10-0253 regarding the settlement of the unlitigated claim of Danielle Rinsler in the amount of \$215,000 at the closed session of July 20, 2010.

* * *

E. SPECIAL ITEM:

Item Nos. 1 through 10 were called together. They were moved by Commissioner Johns and seconded by Commissioner Ito. The vote to approve was unanimous.

Mr. John L. Martin, Airport Director, said that we have 10 custodians retiring. He asked those retirees present to step to the podium (Zeke, Kit Man Luk, Wai, Yin, and Vinh).

1. Retirement Resolution for Mr. Michael Ottoboni

No. 10-0255

Resolution thanking Mr. Michael Ottoboni for 30 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. Michael Ottoboni began working at SFO in 1980 as a Custodian and was

promoted to window cleaner in 1983. He was Window Cleaner Employee of the Year in 1999.

2. Retirement Resolution for Mr. Sekio Fuapopo

No. 10-0256 Resolution thanking Mr. Sekio Fuapopo for 29 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. Zeke Fuapopo is retiring after 22 years of service. He began as a first level supervisor, or three steps up a supervisory chain. He worked all three shifts and in every facility. He actively participated in Airport activities; served as a Combined Charities Captain; photographer for employee appreciation events and state of the Airport addresses; and Custodial Coordinator for emergency preparedness drills. He helped the Custodial section make the transition in new facilities and he used greener products and safer procedures. Zeke is well known by staff members throughout the Airport. We appreciate his outstanding service over the years.

3. Retirement Resolution for Ms. Kit Man Luk

No. 10-0257 Resolution thanking Ms. Kit Man Luk for more than 27 years of faithful service and to offer best wishes for a long and fruitful retirement.

Ms. Kit Man Luk began working for the Airport in 1983. Supervisors have always commented on her honesty and her courtesy to the public and to Airport tenants. She has excellent working relationships with her co-workers and supervisors.

4. Retirement Resolution for Mr. Juan Ayala

No. 10-0258 Resolution thanking Mr. Juan Ayala for 26 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. Juan Ayala started in 1983 and became a supervisor in 1988. He became a second level supervisor a few years later.

5. Retirement Resolution for Mr. Lan Ngoc Trinh

No. 10-0259 Resolution thanking Mr. Lan Ngoc Trinh for 24 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. Lan Trinh started in 1986. For the past several years he has worked in the BART station, maintaining an excellent level of service there. He was known for his consistent and reliable service.

6. Retirement Resolution for Mr. Raymond C. Tsui

No. 10-0260 Resolution thanking Mr. Raymond C. Tsui for 24 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. Raymond Tsui has worked at the Airport since 1986 and is considered an Airport goodwill ambassador by all who worked with him. He has been a valuable asset during the growth of Airport facilities and most recently employed his exceptional experience and skills with the International Terminal. Raymond has also agreed to be a Travelers Aide volunteer in the I.T.

7. Retirement Resolution for Mr. Wai Chiu Chu

No. 10-0261 Resolution thanking Mr. Wai Chiu Chu for 23 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. Wai Chiu Chu worked at the Airport since 1986. He has been commended by many of his supervisors for his teamwork, his ability to always get things done and his high level of skill and knowledge.

8. Retirement Resolution for Mr. Vinh Dang

No. 10-0262 Resolution thanking Mr. Vinh Dang for 23 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. Martin said that Mr. Vinh Dang began his career at the Airport in 1986. He is known for being very responsible, effective, and always willing to assist his co-workers. His supervisors took note of his range of skills and his ability to take on many different assignments at SFO.

9. Retirement Resolution for Mr. Tom Lau

No. 10-0263 Resolution thanking Mr. Tom Lau after more than 22 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. Tom Lau started in 1990 and was 1998 Russell Mayweathers Custodial Employee of the Year.

10. Retirement Resolution for Ms. Yin W. Li

No. 10-0264 Resolution thanking Ms. Yin W. Li after more than 20 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. Martin said that Ms. Yin Li came to the Airport in 1990 and has given 20 years of reliable and committed service over the last seven years. Ms. Li has maintained the Air Train stations as well as assisted in a number of other capacities when required. She had excellent attendance and was a model of reliability.

We thank all of these employees for their years of outstanding service.

Commissioner Mazzola congratulated and applauded the retirees.

Mr. Zeke Fuapopo, on behalf of the retirees, thanked the Commission and the Director for this honor. He also thanked the staff and their boss, Sev Rizzo, for his hard work in making their department so valuable as well as his fellow supervisors and, most importantly, our custodians, especially the ones here today, for their hard work and dedicated service. Thank you.

Mr. Raymond Tsui thanked the Director and the Commission.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 11 was moved by Commissioner Johns and seconded by Commissioner Ito. The vote to approve was unanimous.

11. Award Professional Services Agreement - Contract 8974.9 - Construction Management Services for Terminal 3 / Boarding Area E Refurbishment - PGH Wong Engineering, Inc. - \$1,757,250

No. 10-0265	Resolution awarding Professional Services Agreement, Contract No. 8974.9, Construction Management Services for Terminal 3 / Boarding Area E Refurbishment, to PGH Wong Engineering, Inc. in an amount not to exceed \$1,757,250 for services through August 2012.
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Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction said that the Commission approved the selection of PGH Wong Engineering as the highest ranked proposer for this project. Airport staff successfully completed negotiations, including billing rates, overhead multipliers, staffing and forecast cost to complete the required to complete the required services within the budget. PGH Wong will work closely with the Airport project management staff and Hensel Phelps Construction, the selected design-builder for the project. Substantial completion is to be achieved by April 2012, just prior to the peak summer travel season. The first phase of services will consist primarily of design management support for the

design duration of the design-build contract, and cost/scheduling services. The second phase will provide for construction management and field oversight services once construction begins, following American Airlines' relocation into Terminal 2. When actual construction begins they will provide the construction manager, resident engineer, and they will integrate into their team a City field position for inspection services, similar to the T-2 model. It will be a blended approach with City staff and construction management staff. They have committed to 20.5% LBE subcontractor participation against the stated 18% goal.

Item No. 12 was moved by Commissioner Johns and seconded by Commissioner Ito. The vote to approve was unanimous.

12. Request for Proposal for Professional Services, Contract No. 9015.9, Construction Management Services for Replacement Airport Traffic Control Tower / Terminal 1 Complex Redevelopment Program

No. 10-0266	Resolution authorizing staff to issue a Request for Proposal for Professional Services, Contract No. 9015.9, Construction Management Services for the Replacement Airport Traffic Control Tower / Terminal 1 Complex Redevelopment Program. The contract will provide construction management support services to 1) develop a conceptual plan for Terminal 1, Boarding Area B and integration of the Airport Traffic Control Tower (ATCT) facility into the Terminal 1 Complex; 2) prepare "bridging documents" to be used as the basis for procuring a design-build contractor for the ATCT and integrated Airport facilities; and 3) design and construction of the ATCT and integrated Airport facilities.
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Mr. Satero said that this Item provides for the construction management services for the replacement of the Air Traffic Control Tower (ATCT) and the Terminal 1 Complex Redevelopment Program. The CM team will provide services in three primary areas of the program. The first two areas relate to the services to be provided by the Master Architect that is currently in the RFP phase. Their first task is the design of the Terminal 1 Complex to a conceptual plan level of detail to assure that the Tower integration and the FAA offices integration is properly coordinated with the future needs of the Terminal 1 program. The second task is the development of a 45% complete bridging document design set for the Replacement Tower and offices, and SFO facilities integrated with the FAA facilities, for procuring a design-build team to complete the design and construct the project. For these two tasks, the CM team will provide scheduling and cost support, constructability and phasing reviews and project controls. The third area of construction management support will be once the design-builder is on board. They will provide the traditional construction management services which is the project manager, construction manager, project controls, cost/schedule support, special inspection, and any other specialty CM services that we require.

The total budget for these services is \$4.5 million, which will be funded from both the Federal funding reimbursement for the replacement tower, and from the Airport's Five-Year Capital Improvement Program.

The RFP process will follow all Airport procurement procedures, and minimum qualifications will be established as appropriate for the anticipated size and complexity of the project. A Selection Committee will be convened to review the proposals, conduct interviews and score the teams. Staff will return to the Commission with a recommendation to approve the selection of the highest ranked team and authorize negotiations. Given the Federal funding component for these services, we will work with the Airport's Small Business Affairs office to develop a small business program to ensure the participation of local, small and disadvantage businesses.

Commissioner Ito asked, relative to the opinion by Planning that the EIR for this proposed project isn't being impacted, do you have some idea what we say because we're covered already and we don't have to go through another process? There should be some savings.

Mr. Satero agreed that there are significant savings. This is the best case scenario that we hoped for. We thought we made a very reasonable case. We could have had to go through a negative declaration process, and worst case a new EIR which would have been a costly process. The fact that we were successful with an EIR addendum to the Master Plan is a significant savings of time and money for us.

Commissioner Ito said that it speaks well of the Master Plan.

Mr. Martin noted that it is a 15 year old Planning document that stills stands up.

Commissioner Mazzola thought this very exciting and was happy to see it begin.

Item No. 13 was moved by Commissioner Johns and seconded by Commissioner Ito. The vote to approve was unanimous.

13 Other Transaction Agreement with the Federal Aviation Administration for the Replacement Airport Traffic Control Tower and FAA Offices

No. 10-0267

Resolution authorizing the Airport to enter into an Other Transaction Agreement with the FAA for reimbursement of the Environmental Assessment, and Design and Construction of a Replacement Airport Traffic Control Tower and FAA Offices in an amount not to exceed \$79,982,500, subject to Board of Supervisors approval.

This activity is within the scope of the San Francisco Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan

adequately describes the activity and its environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Satero said that this Item provides for the Airport's authorization to enter into an Other Transaction agreement (OTA) with the FAA for the replacement Air Traffic Control Tower and FAA offices subject to Board of Supervisors approval. Under the terms of OTA, SFO and the FAA will enter into a partnership to proceed with the replacement tower, through which the FAA will provide program oversight and SFO will manage the design and construction activities in close coordination with the FAA staff. All costs of the FAA facilities will be reimbursed through the terms of the OTA up to a not to exceed Federal limitation of funds of \$79,982,500. The current estimated cost of the FAA facilities is \$69,550,000.

Staff performed an independent cost estimate and negotiated certain additional costs for management and oversight, as required to properly implement the project in accordance with SFO project management standards and assessment of risk. The OTA defines the roles and responsibilities of the parties and achieves key shared objectives of both the FAA and SFO by expediting the project through a fast track delivery process ensuring continuous implementation from design through construction, even without full Federal appropriations in place; ensuring the proper integration of the FAA facilities with future SFO facilities; and ensuring that construction is properly coordinated with SFO Airport and airline operations.

Funding will come from current appropriations, up to an amount of \$21,970,000, and future appropriations up to the limitation of funds amount of \$79.9 million. The FAA will make best efforts to obtain future appropriations in accordance with the project schedule. In particular there will be another reimbursement at the 40% complete point, which is foundation and structural steel, and the 80% complete point, which is at the completion of the building envelope. Then there may be a final payment at project completion, if there are any cost shortfalls at that point, up to the maximum amount. In the event the appropriations do not keep pace with the cash flows, the Airport will advance the necessary funding and be reimbursed as appropriations are approved.

In accordance with the OTA, SFO will have five years from the effective date of the agreement to complete construction of the tower and turn it over to the FAA for equipment installation, testing and commissioning of the FAA systems. The Airport will also be responsible for removing the old tower within 60 days after the FAA removed all equipment from the facility. At the conclusion of the OTA, the Airport and the FAA will enter into a lease agreement. The Airport will be responsible for maintenance, repair and upkeep of the replacement tower, at no cost to the FAA.

Commissioner Johns noted a paragraph on Page 3 of the EIR which says that "if the EA results in a finding of no significant impact then the FAA will approve the EA ..." and asked where the Board of Supervisors is in this process. At what point does this reach them and do they have to approve Planning's determination?

Mr. Satero responded that because it's an EIR addendum it does not trigger a review and approval by the Board. The OTA does trigger review and approval by

the Board in the accept and expend type authorization. There isn't an environmental issue that triggers a review by the Board; it's a federal review.

Commissioner Johns asked Mr. Satero to repeat the schedule.

Mr. Satero responded that it is five years in the OTA, but our schedule is more aggressive than that. Our schedule is four years ... we will endeavor to complete work by August-September of 2014, but the OTA allows us a float to 2015.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 14 through 16, was moved by Commissioner Johns and seconded by Commissioner Ito. The vote to approve was unanimous.

14. Other Transaction Agreement with the Transportation Security Administration for the Baggage Screening Safety and Optimization Project

No. 10-0268	Resolution authorizing staff to enter into an Other Transaction Agreement with the Transportation Security Administration for reimbursement of the design and construction of the TSA Baggage Screening Safety and Optimization Project in an amount not to exceed \$545,466, subject to Board of Supervisors approval.
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15. Award of Professional Services Contract No. 8883 to Provide Issuing and Paying Agent Services - Deutsche Bank National Trust Company - \$100,000

No. 10-0269	Resolution awarding Professional Services Contract 8883 to provide Issuing and Paying Agent Services to Deutsche Bank National Trust Company for three years with two one-year options to extend in an amount not to exceed \$100,000.
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16. Award Contract 8924A - Assessment of the Feasibility and Cost of Securing LEED Existing Building Operations and Maintenance Certification for the SFO Terminal Complex - Vanasse, Hangen, Brustlin, Inc - \$107,470

No. 10-0270	Resolution awarding Contract 8924A, Assessment of Feasibility and Cost of Securing LEED Existing Building Operation and Maintenance Certification for the SFO Terminal Complex to Vanasse, Hangen, Brustlin, Inc., in the amount of \$107,470. This contract includes assessment of the U.S. Green Building Council's requirements for certifying Operations and Maintenance activities at the SFO
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Terminal Complex in compliance with Leadership in Energy and Environmental Design (LEED) at the Silver or higher rating.

* * *

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests to speak from the public.

Mr. Martin recognized two retiring Custodians who arrived late and asked Lan Ngoc Trinh and Wai Chiu Chu to stand. Thank you both for your 24 years of outstanding service and thank you for being here.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

The Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

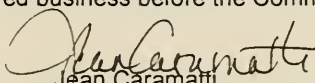
The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

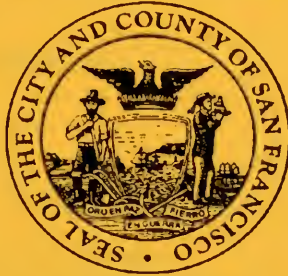
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L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:22 A.M.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

August 17, 2010

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

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Minutes of the Airport Commission Meeting of
August 17, 2010

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C.		ADOPTION OF MINUTES:		
		Regular meeting of August 3, 2010	10-0271	4
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F.		ITEMS RELATING TO ADMINISTRATION. OPERATIONS & MAINTENANCE:		
	2.	Award Contract 8603 - Boarding Areas F and G Taxilane Reconstruction Granite Rock Co., dba Pavex Construction Division	10-0272	6
	3.	Authorize Commence Competitive Selection Process for the On-Airport Gas Station, Convenience Store, and Quick Serve Food and Beverage Lease	10-0273	6-8
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	4.	Approve New Lease & Use Agreements with Alaska Airlines, Inc., Continental Airlines, Inc., US Airways, Inc., Kalitta Air, LLC, Nippon Airlines Cargo Ltd. and Southern Air Effective July 1, 2011	10-0274 thru 10-0279	8-9
	5.	Lease Modification for Alaska Airlines, Inc. and Continental Airlines, Inc., Signatories to the Lease and Use Agreement	10-0280 thru 10-0281	9
	6.	Modification No. 1 to Professional Services Agreement 8975 - Conduct an Aeronautical Survey for Approach Procedure Development - Landrum & Brown		9
	7.	Modification No. 1 to Contract 8934 - Executive Recruitment Services Ralph Andersen & Assoc.	10-0282	9
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9.	Modification No. 1 to Contract No. 8837 - Drug Testing Services - Energetix Corp.	10-0284	10-11
H.	NEW BUSINESS:		11
I.	CORRESPONDENCE:		11-12
J.	CLOSED SESSION: Potential Litigation		12
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AIRPORT COMMISSION MEETING MINUTES

August 17, 2010

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:05 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenheim

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of August 3, 2010 were adopted unanimously.

No. 10-0271

* * *

D. DIRECTOR'S REPORT:

1. Analysis of Airline Traffic for Fiscal Year 2009/10

Ms. Chery Nashir, Revenue Development Manager said that the 2009/2010 report is encouraging. Despite the global recession, SFO is on increase in enplaning passengers of 4.8% year over year. Total passengers were 38.4 million for the fiscal year, and enplaning passengers were 18.2 million. Landings and seat capacity grew at lower rates pointing to the airlines moves to control capacity and improve yields. Overall, average load factor was 82% for the year, an increase of 3.1% compared to the prior fiscal year. In recent months, we've seen even higher load factors, in June for instance, the Airport-wide average was 90% and on international flights alone, the load factor was 93%. We also saw an increase in overall market share among the three bay area airports. For the fiscal year end, SFO was the airport of choice for 68.3% of all air passengers traveling from the bay area. The increase passenger numbers were due primarily to domestic traffic. Every month of the year showed an increase over the same month prior year. Southwest, Virgin America, Jet Blue, and AirTran all had a strong year. These low cost carriers accounted for 12.5% of our traffic just three years ago, today they account for nearly 23% of our traffic. With the structural change came a greater choice for our passengers in more competitive fares. The response by the legacy carriers has been to make deep capacity cuts resulting in higher load factors. We feel this activity has stabilized. International enplanements grew only

.5%. Capacity was cut as the global recession carried on, decline started in September 2008 and began waning in late 2009. First three months of 2010 saw a 2% increase in international enplanements. April, May and June saw a 6% increase in international enplanements. Asian traffic has shown the strongest growth, Canadian traffic shows good growth with new service from West Jet, Air Canada, and Virgin America's new Toronto service. European traffic can continue to leg for most of fiscal year with a struggling economy and the volcano in Iceland. On a positive note though, Air Berlin and Swiss International began service and Air France and United added more European service. Our peak traffic year was 1999-2000 where we saw 20.2 million enplanements. We anticipate reaching that level of activity in fiscal year 2012-2013. An interesting and an important bit of information is that we once, when we once again reached over 40 million total passengers at SFO will do so with fewer aircraft on the runways as compared to that peak year. This is primarily due as I've already discussed to the higher load factors and our continued efforts to attract international high yield flights.

The opening of Terminal 2 will be on time. Virgin America continues to grow, adding two new announced destinations, Orlando and Dallas. They're also in agreement to purchase 40 new airbus 320's between 2013 and 2016, a doubling of their fleet. Looking ahead through the end of this calendar year, we expect modest growth on the domestic side and stronger growth on the international side. Lan Peru started operations July 1st and we anticipate a strong winter schedule from our existing carriers.

Commissioner Ito was impressed that both Southwest and Virgin have doubled their market share, whereas United has gone down. Is that something that United was prepared for?

Mr. Martin responded that they have not been adding capacity ... they have been reducing capacity since their bankruptcy. They seem to be opening up new markets with regional jets with commuter express operations. It will be interesting to see whether they adopt a different philosophy with the Continental merger. Continental has been purchasing new aircraft and has new aircraft coming on line and we could see some real growth and activity with that merger.

Commissioner Ito noted that United lost the Haneda flight and Japan Airlines.

Mr. Martin replied that Japan Airlines moved their Tokyo (Narita) flight, which is Japan Airlines Flight No. 1 and 2, to Haneda. They are continuing to operate one flight a day to SFO but, it is now operating from Haneda.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Ito.

The vote to approve was unanimous.

2. Award of Contract No. 8603 - Boarding Areas 'F' and 'G' Taxilane Reconstruction Granite Rock Co., dba Pavex Construction Division - \$5,399,617

No. 10-0272 Resolution awarding Contract 8603, Boarding Areas 'F' and 'G' Taxilane Reconstruction to the lowest and responsive, responsible bidder, Granite Rock Co. dba Pavex Construction Division, in the amount of \$5,399,617.

Mr. Jackson Wong, Chief Operating Officer and Acting Deputy Director, Facilities, said that this item recommends award of Contract No. 8603, Boarding Area 'F' and 'G', Taxilane Reconstruction to the lowest, responsive, responsible bidder, Granite Rock Company dba Pavex Construction in the amount of \$5,399,617. The purpose of this project is to reconstruct portions of Boarding Area 'F' and 'G' concrete apron and asphalt on the adjacent taxilanes and improve the respective drainage and taxilane lighting system. We received four bids on July 21, 2010. No protests were filed. The FAA is funding 75% of this project. This is a race neutral contract, therefore, no DBE participation goals were established.

Commissioner Crayton asked if this was before the Commission earlier in the year.

Mr. Wong replied that it was not.

Commissioner Mazzola asked what's the purpose of this company doing business as another name. It's Granite Rock, so why do they do business as Pavex?

Mr. Wong responded that Granite Rock started as a quarry operation and Pavex is a construction arm. They have always chosen to use this title.

Commissioner Mazzola said that they used to bid separately. Both companies have been here for years.

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

3. Authorization to Commence a Competitive Selection Process for the On-Airport Gas Station, Convenience Store, and Quick Serve Food and Beverage Lease

No. 10-0273 Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to issue a Request for Proposal and conduct an informational conference for the On-Airport Gas Station, Convenience Store, and Quick Serve Food and Beverage Lease.

Ms. Nashir said that item seeks seeks authorization to commence a request for proposal process for a gas station convenience store, and quick serve food

operations to be located at the north end of the Airport. The location is at the northwest intersection of So. Airport Boulevard and San Bruno Avenue. It is adjacent to the cell phone parking and ground transportation lots, the entrance to our long term parking garage and across the street from United's Maintenance facility. We envision this operation will also have a car wash, ATM service, and possibly other such services like light lube and valet dry cleaning. The site is approximately 1.5 acres and in recognition of the anticipated \$2 to \$2.5 million investment required for build out, a 20 year term with 2 five year options is recommended. The rental structure was derived by considering the land value and surveying other airports' gas station leases. Rent will be a combination of ground rent plus concession rent. Ground rent is proposed at \$3.60 per square foot per year, or approximately \$235,000 per year for this site. Concession rent is recommended at 1 penny per gallon fuel flowage fee, plus 7% concession fee on non-fuel sales with two exceptions ... tobacco and lottery. For tobacco we would recommend 2% rent, and 1% rent for lottery sales.

The successful proposer would be required to conduct an environmental review. The cost of the review would be a rent credit in an amount not to exceed \$120,000, with proper documentation required before the rent credit is granted. The primary focus of such a review would be the impact of the new traffic flow and emissions. The tenant would be required to abide by the Airport's sustainable food policy to the greatest extent possible and practical. While we are not expecting a slow food type operation, we will require compostable water bottles, biodegradable to-go containers, composting. Styrofoam and plastic bags will be prohibited. A LEED construction certification will be sought, with low emission finishes, zero or low water landscaping, natural lighting, to the greatest extent possible, and energy efficient appliances.

We have begun discussions with United Airlines to take back a portion of their employee parking lot to facilitate this development. We've spoken with a few developers but will have a formal outreach meeting next week where we have invited approximately 30 Bay Area owners and developers of gas station and convenience store operations to discuss this project with us. After the RFP is issued we will host a pre-proposal meeting and collect more feedback. We will return to you with the results of those outreach sessions, any recommended changes to the business deal, and seek authorization to accept proposals.

We viewed this development as an opportunity for incremental revenue growth with rent anticipated to be more \$350,000 per year. It's also an important amenity for our passengers, rental car customers, our employees, users of the cell phone and ground transportation lots, and others who drive along South Airport Boulevard.

Commissioner Johns thought this was a great idea. She said that it was not clear if about this process ... this is an RFP to develop but what about the construction, etc? Is the developer going to lease the land and develop and construct and run.

Ms. Nashir said that is the concept.

Commissioner Ito asked if tobacco sales is necessary.

Ms. Nashir responded probably not.

Commissioner Ito said that it is inconsistent with the City's policy on healthy San Franciscans and what's going on in the City with other convenient stores.

Mr. Martin responded your thought is to apply the same percentage the City is applying ... the tax to tobacco sales and apply it to the rent.

Commissioner Ito asked why have tobacco sales at all.

Mr. Martin responded that it's an expectation with a convenience store.

Commissioner Johns believed that there are no tobacco sales in the City in pharmacies because of the conflict between healthy healthcare.

Commissioner Crayton asked if there any studies, or, do any other airports have the same concept.

Ms. Nashir responded that eight or so airports around the United States have a convenience store/gas station/fast food operation.

Commissioner Crayton said that several years ago Shell Oil turned over one of their stations in Oakland to a non-profit and worked with them to develop their experience so that they had an opportunity to enter the field. This could be an opportunity for us to do something cutting edge, something new to help folks that would not ordinarily have an opportunity to partner with a convenience store/gas station operation. She wants to find ways to provide opportunities for new entrants.

Ms. Nashir responded that we could work with that. Our language for the minimum requirements is that the majority owner meets the minimum standards for experience. That language could be adjusted a bit. Maybe it's more of a minority owner that can facilitate a new entrant coming in and learning the business through a joint venture or a new legal entity.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 4 and 5 and 7 through 9, was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous. Item No. 6 was removed from the calendar without discussion.

4. Approve New Lease and Use Agreements with Alaska Airlines, Inc., Continental Airlines, Inc., US Airways, Inc., Kalitta Air, LLC, Nippon Airlines Cargo Ltd. and Southern Air, Effective July 1, 2011

No. 10-0274
thru
No. 10-0279

Resolution approving new Lease and Use
Ageements with Alaska Airlines, Inc., Continental
Airlines, Inc., US Airways, Inc., Kalitta Air, LLC,
Nippon Airlines Cargo Ltd. and Southern Air,

5. Lease Modification for Alaska Airlines, Inc. and Continental Airlines, Inc.,
Signatories to the Lease and Use Agreement

No. 10-0280

Resolution approving the modification of the
Airline/Airport Lease and Use Agreements for
Alaska Airlines, Inc. and Continental Airlines, Inc.

No. 10-0281

Item No. 6 was removed from the calendar without discussion.

6. Modification No. 1 to Professional Services Agreement 8975 - Conduct an
Aeronautical Survey for Approach Procedure Development - Landrum & Brown
\$1,000,000

Resolution approving Modification No. 1 to
Professional Services Agreement 8975 with
Landrum & Brown to increase scope of work and
budget in an amount not-to-exceed \$1,000,000 to
provide an Aeronautical Survey for Category II and
III Instrument Approach Procedure Development in
support of the FAA Runway Safety Area Program,
for a new total contract amount not-to-exceed
\$1,300,000.

7. Modification No. 1 to Contract No. 8934 - Executive Recruitment Services
Ralph Andersen & Associates - \$150,000

No. 10-0282

Resolution approving Modification No. 1 to Contract
8934 with Ralph Andersen & Assoc. for Executive
Recruitment Services in the amount of \$150,000,
for a new total contract amount not-to-exceed
\$300,000

8. Modification No. 3 to Contract No. 8851 - Workplace Violence Consultant Services
- TAL Global Corporation - \$25,800

No. 10-0283

Resolution approving Modification No. 3 to Contract
8851 with TAL Global Corp. for Workplace Violence
Consultant Services, to exercise the second of five,
one year options in the amount of \$25,800 for a
new not to exceed total contract amount of
\$82,800.

Commissioner Mazzola asked what this consultant does ... do they conduct seminars for staff?

Ms. Lee replied that this contractor provides a variety of services from training staff on how to respond to workplace violence to tailored workshops at our request. They are on-call as well and will respond when we need expert consultation on how to address an issue.

Commissioner Mazzola assumed that if we had an altercation we would call on them to evaluate it or to help you.

Ms. Lee replied that it depends on if it meets the level of certain criteria of workplace violence. We do have an in-house task force made up of Legal, the Police department and H/R. They are the first line of defense to assess the situation. If we need additional assistance we would call our consultant.

Commissioner Mazzola asked if they get involved with the grievance procedure that would follow such an incident, or do they just consult staff on how to look for problems?.

Ms. Lee replied that they do not get involved in the grievance process.

Mr. Martin said that they may do an independent investigation and interview staff.

Ms. Lee added that they may evaluate the situation and the individual as well, but they are not involved in our grievance process.

9. Modification No. 1 to Contract 8837 - Drug Testing Services - Energetix Corp. - \$16,800

No. 10-0284

Resolution approving Modification No. 1 to Contract 8837 with Energetix Corp for Drug Testing Services, exercising the first of five one year options in the amount of \$16,800 for a new not to exceed contract amount of \$49,600.

Commissioner Mazzola said that we deal with a lot of unions and asked if they all have drug testing. Do some people have drug testing and others don't?

Ms. Lee responded that we have an agreement with SEIU for random drug testing and believed that was the only union.

Commissioner Mazzola assumed that the others don't have it in their collective bargaining unit.

Mr. Alex Lawrence, Airport Human Resources, responded that we have testing for the DOT.

Commissioner Mazzola said that he is trying to understand who does drug testing and who does not.

Commissioner Crayton asked if we have a Quality of Life Committee at the Airport?

Ms. Lee responded that we do not.

Commissioner Crayton asked if the City has a consultant for workplace violence that we can access.

Ms. Lee responded that they most likely do. We could have access if necessary, but we need a consultant that would give us direct and immediate access.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Bill Hough, President of the Philip and Sala Burton Center for Human Rights, said that he letters suggesting how San Francisco Airport might be an international leadership in serving as an education center for promoting international human rights, labor and environmental norms in international institutions. Mr. Stan ??, Associate Director, Dept. of AFL-CIO and Ms. Ronie Goldberg, Vice President of the U.S. Council for International Business have also written letters to you in support of that proposal.

We enjoy a professional relationship with the Museum staff working to produce three photographic exhibits at the Airport in collaboration with the International Labor Organization. The first exhibit is scheduled to open in early September and we have invited you to attend a reception for that opening on September 15, 2010 and we hope you're able to join us. The exhibit features photographs by Doug Perry ...17 iconic San Francisco structures built by union workers. These photographs celebrate the workers' skills and ingenuity in realizing the imagination of the architects who have made our City so vibrant and beautiful. We know you are familiar with the importance and effectiveness of international organizations. The operations of the San Francisco International Airport depends on agreements facilitated it by the International Civil Aviation Organization concerning routes and schedules. The International Labor Organization was established in 1919 as Part 13 of the Treaty of Versailles. The Preamble of that constitution drafted by Commission, chaired by Sam Bunkfers, President of the AFL, begins with these words: "Whereas universal and lasting peace can be established only if it is based on social justice."

So we look forward to working with you and the Museum staff in this City St. Francis of Assisi to educate the public about the San Francisco men and women who have taken exemplary action to implement the principals and conventions of the International Labor Organization.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

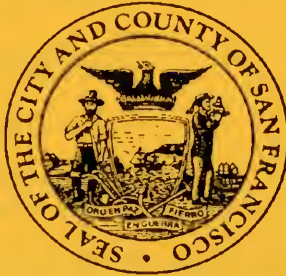
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K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:30 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

September 7, 2010

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

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Minutes of the Airport Commission Meeting of
September 7, 2010

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AIRPORT COMMISSION MEETING MINUTES

September 7, 2010

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:02 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenheimer

Absent: Hon. Linda S. Crayton, Vice President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of August 17, 2010 were adopted unanimously.

No. 10-0285

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was moved by Commissioner Mazzola and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

1. Award Contract 8782 - South McDonnell Road Reconstruction - Gallagher & Burk, Inc. - \$1,672,900

No. 10-0286 Resolution awarding Contract No. 8782, South McDonnell Road Reconstruction, to the lowest responsive, responsible bidder, Gallagher & Burk, Inc. in the amount of \$1,672,900.

Mr. Jackson Wong, Chief Operating Officer and Acting Deputy Director, Facilities

said this item awards Contract No. 8782, South McDonnell Road Reconstruction to the lowest, responsive, responsible bidder, Gallagher & Burk, Inc. in the amount of \$1,672,900. This project will resurface So. McDonnell Road, realign traffic lanes, provide bicycle lanes, and upgrade utility systems. Four bids were received on July 22, 2010. The second and third lowest bidders filed protests and Airport staff has determined these protests to be without merit. The LBE goal for this contract is 10%. Gallagher & Burk has committed to 28% LBE participation. .

Item No. 2 was moved by Commissioner Johns and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Award of the International Terminal Museum/Gallery Store Lease - San Francisco Museum of Modern Art - MAG: \$125,000

No. 10-0287	Resolution awarding the International Terminal Museum/Gallery Store Lease to San Francisco Museum of Modern Art, for a Minimum Annual Guarantee of \$125,000 for the first lease year and a ten-year term.
-------------	--

Mr. Leo Fermin, Deputy Director Business and Finance said we are requesting award of a lease to the San Francisco Museum of Modern Art for the Museum Store in the International Terminal. The current lease expires on January 21, 2011. The main difference between the current and the new leases are in the term and the minimum annual guarantee. The current lease is for five years plus a five year option; the new lease is for 10-years. The current MAG of \$175,000 has been reduced to \$125,000 in the new lease.

Mr. Fermin added that they submitted the only proposal. We did an extensive outreach, contacting all the various museums in the Bay Area and the region as well as some private companies that operate museum concepts. We had individual conversations with the San Francisco Academy of Sciences and other museums. Unfortunately, SFMOMA submitted the only proposal.

Commissioner Johns asked if they will maintain the same square footage.

Mr. Fermin replied, that they will.

Item No. 3 was moved by Commissioner Guggenheimer and seconded by Commissioner Ito. The vote to approve was unanimous.

3. Amendment No. 1 to Domestic Terminal Food and Beverage Lease No. 03-0178 with Lori's Diner International, Inc. No. 03-0179 with Andale Airports; No. 03-0181 with Meyers Holding, LLC; and No. 03-0188 with H. Young Enterprises, Inc. for Closure of its Terminal 1 Food Court Locations

No. 10-0288	Resolutions approving Amendment No. 1 which (1)
No. 10-0289	decreases lease premises, (2) reduces Minimum

No. 10-0296
No. 10-0297

Annual Guarantees (MAG) for the current lease year, (3) eliminates Terminal 1 Infrastructure & Food Court Fees, (4) approves using an initial MAG reflecting the decreased space when calculating future annual MAG Adjustments, (5) decreases the Promotional Charge, and (6) approves using an initial Promotional Charge reflecting the decrease space when calculating future Promotional Charge Adjustments to Domestic Terminal Food and Beverage Lease No. 03-0178 with Lori's Diner International, Inc.; No. 03-0179 with Andale Airports; No. 03-0181 with Meyers Holding, LLC; and No. 03-0188 with H. Young Enterprises, Inc. for the closure of Terminal 1 Food Court locations.

Mr. Fermin said that overall our food and beverage program is doing very well, with the highest sales per enplaned passenger in the country. However, all of the sales growth is occurring post-security, not pre-security. The Boarding Areas B and C security screening checkpoints have adversely impacted the food courts adjacent to them. With increased passenger traffic the situation has worsened for those tenants since passengers now go through the security line immediately and bypass the food courts. Over the last three years, enplanements in Terminal 1 have increase by 25.4% but the pre-security food courts sales have declined by 20%. In contrast, in post-security B, food and beverage sales have increased by 59.4%, and in post security C, sales have increased by 21.9%. At the pre security B food court, Andale and Lori's Diner have requested to close, however, the TGIFridays, opposite from the food court at B, will remain open. As well, the Just Desserts around the corner from TGIFridays will also remain open. At the pre security C food court, Just Desserts and Firewood will close, but Fung Lum will remain open. The closure of these facilities will provide financial relief for these operators. We recommend approval.

Commissioner Johns asked what will happen to these spaces when they close.

Mr. Fermin replied that he was not sure yet. We are looking at the space for a variety of other potential uses, one of which may be for expansion of the security queuing areas.

Commissioner Johns asked about the changes to the post-security locations.

Mr. Fermin replied that the leases usually have two locations. When the pre-security locations are closed down, the leases will be amended to reduce the overall square footage under the lease, and the MAG will be adjusted.

Commissioner Johns asked if anything else changes.

Mr. Fermin responded that the MAG has been reduced but since the tenants are paying percentage rent it almost doesn't make a difference.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 4 through 9, was moved by Commissioner Johns and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Modification No. 1 to Professional Services Contract No. 8987 with Jacobs Consultancy, Inc. to Increase the Total Not-to-Exceed Three-Year Contract Amount by \$205,000 from \$1,655,000 to \$1,860,000 and to Assign All Airport Contracts with Jacobs Consultancy, Inc. to LeighFisher, Inc.

No. 10-0290

Resolution approving Modification No. 1 to Professional Services Contract 8987 with Jacobs Consultancy, Inc. to increase the not-to-exceed three-year contract amount by \$205,000 for strategic planning from a total amount for all services of \$1,655,000 to \$1,860,000, and assign all Airport contracts with Jacobs Consultancy, Inc. to LeighFisher, Inc.

Commissioner Johns asked for a breakdown of the \$205,000.

Mr. Fermin replied that \$81,000 will provide the rest of the funding needed for the five year strategic plan, and about \$130,000 will be for the leadership development component of the Reaching for #1 initiative.

5. Authorization to Commence Competitive Selection Process - Terminal 2 Specialty Store Lease

No. 10-0291

Resolution approves revised minimum qualification requirements and lease specifications, which includes a Minimum Acceptable Proposal Amount of \$135,000 and a seven-year term, and authorizes staff to commence the competitive selection process for the Terminal 2 Specialty Store Lease.

6. Exercise the Final of Five One-Year Options to the Smarte Carte, Inc.'s Luggage Cart Program Lease and Operating Agreement No. 01-0343

No. 10-0292

Resolution exercising the final of five one-year options to extend the term for Smarte Carte, Inc.'s Luggage Cart Program Lease and Operating Agreement No. 01-0343, for an extension term of April 1, 2011 through March 31, 2012, and directing the Commission Secretary to seek Board of Supervisor approval for the same.

Commissioner Johns noted that at one point we talked about advertising on carts as a source of revenue.

Mr. Fermin replied that we did not move ahead with that idea. Perhaps that idea will be resurrected in the future.

7. Exercise the First of Two One-Year Options Under the Security Checkpoint Mail Service Lease No. 07-0249 with Airport Mailers, Inc.

No. 10-0293 Resolution exercising the first of two one-year options under Airport Mailers, Inc.'s Security Checkpoint Mail Service Lease No. 07-0249, for an option term of March 3, 2011 through March 2, 2012, under the existing terms and conditions.

8. Amendment No. 3 to Airport Advertising Lease No. 00-0408 with Clear Channel Outdoor, Inc.

No. 10-0294 Resolution approving inclusion of additional rent for jet bridge advertising, scheduled at \$230 per month for each interior and \$1,050 per month for each exterior jet bridge advertising sold, in Amendment No. 3 of Airport Advertising Program Lease No. 00-0408 with Clear Channel Outdoor, Inc.

9. Reimbursement to Sprint Nextel in the amount of \$65,776.50 for Costs Incurred in Relocating its Equipment in Terminal 2

No. 10-0295 Resolution approving reimbursement of \$65,776.50 to Sprint Nextel for costs incurred in relocating its equipment in Terminal 2, at the Airport's request, to be made in the form of a rent credit.

* * *

G. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

The Airport Commission did not go into closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

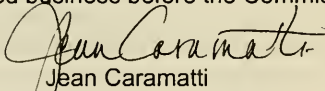
The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

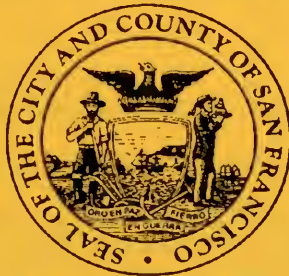
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J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:12 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

September 21, 2010

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICHARD J. GUGGENHIME

JOHN L. MARTIN

Airport Director

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Minutes of the Airport Commission Meeting of
September 21, 2010

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B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meeting of August 17, 2010	10-0298	3
D.		ITEMS INITIATED BY COMMISSIONERS:		3
E.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:		
	1.	Award Professional Services agreement 9023 - NEPA Environmental Consultant Services for Relocation of Airport Traffic Control Tower - Ricondo & Associates	10-0299	3-4
F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	2.	Annual Renewal 7 Final Modification No. 5 - Contract 8757.9 - Construction Management Services for Terminal 2 / Boarding Area D Renovations - T2 Partners, A J.V. of Parsons Transportation Group, EPC Consultants, Inc. and The Allen Group, LLC	10-0300	4-5
	3.	Bid Call - Contract 8555 - Boarding Area C HVAC Improvement	10-0301	5
H.		NEW BUSINESS:		5
I.		CORRESPONDENCE:		5
J.		CLOSED SESSION:		5-6
		Claim: Maheen Ghani Taseer and Shahbaz Ali Taseer Potential Litigation		
K.		ADJOURNMENT:		6

AIRPORT COMMISSION MEETING MINUTES
September 21, 2010

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:05 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Caryl Ito
	Hon. Eleanor Johns
	Hon. Rich Guggenheimer

Absent:	Hon. Linda S. Crayton, Vice President
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* * *

C. ADOPTION OF MINUTES:

No. 10-0298	The minutes of the regular meeting of September 7, 2010 were adopted unanimously.
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D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was moved by Commissioner Guggenheimer and seconded by Commissioner Ito. The vote to approve was unanimous.

1. Award of Professional Services Agreement No. 9023 - NEPA Environmental Consultant Services for Relocation of the Airport Traffic Control Tower - Ricondo & Associates, Inc. - \$300,000

No. 10-0299	Resolution awarding Professional Services Agreement No. 9023 to Ricondo & Assoc. Inc. for NEPA Environmental Consultant Services for Relocation of the Airport Traffic Control Tower in a total contract amount not-to-exceed \$300,000 for a one year term with one, one-year option to extend the term.
-------------	---

Mr. Jackson Wong, Chief Operating Officer said this item recommends award of Professional Service Agreement 9023 to Ricondo & Associates, Inc. in a total amount not to exceed \$300,000 for a one year term with one option to extend the contract for one year. Ricondo will provide consultant services for NEPA Environmental Assessment for to relocate the Air Traffic Control Tower. This assessment must be completed by July 2011 to ensure that the design and construction of the new Control Tower is completed by 2014 and operational by 2015. Two proposals were received on August 6, 2010 and a three member selection panel was convened to review and score the proposals. Ricondo & Associates received the highest score. There are no DBE subcontracting requirements for this contract, however, Ricondo has committed to using a certified DBE firm at a 10.5% participation level, and a certified local firm at a 5.5% participation level. Staff recommends award of this professional service agreement to Ricondo & Associates, Inc.

Commissioner Johns assumed we don't anticipate any problems and that this is more or less going to the technical requirements. That we would have scoped out whether there would be any environmental problems with the new location, etc. in our planning process?

Mr. Wong replied that we don't anticipate any problems. The City Planning department reviewed our documents that we contracted for the Master Plan and they accepted that. We are just required to do the NEPA portion and not CEQA.

Commissioner Johns asked if at some point is there likely to be a public hearing.

Mr. Wong replied that he is not sure.

Mr. John Martin, Airport Director, responded that he did not believe so.

Mr. Nixon Lam, Airport Chief Environmental Officer, said that this scope of work calls for a public workshop so we can invite all the various stakeholders.

Commissioner Johns asked who conducts the workshop.

Mr. Lam replied the FAA.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Items 2 and 3, was moved by Commissioner Guggenheim and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Annual Renewal and Final Modification No. 5 to Contract 8757.9 - Construction Management Services for Terminal 2 / Boarding Area D Renovations - T2 Partners, A Joint Venture of Parsons Transportation Group, EPC Consultants, Inc. and The Allen Group, LLC - \$1,650,000

No. 10-0300

Resolution approving Annual Renewal and Final Modification No. 5 to Contract 8757.9, Construction Management Services for Terminal 2 / Boarding Area D Renovations with T2 Partners, A Joint Venture of Parsons Transportation Group, EPC Consultants, Inc. and The Allen Group, LLC, in the amount of \$1,650,000 for services thru June 20, 2011.

3. Bid Call - Contract No. 8555 - Boarding Area "C" HVAC Improvement

No. 10-0301

Resolution approving a bid call for Contract No. 8555, Boarding Area "C" Improvement and authorizing the Director to call for bids, when ready.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:12 AM and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding government Claim #11-00646 (Maheen Ghani Taseer) and Government Claim No. 11-00647 (Shahbaz Ali Taseer), and to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:35 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:36 AM.

The meeting was adjourned in memory of William K. Coblenz, former Airport Commissioner.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

October 5, 2010

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

CARYL ITO

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

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Minutes of the Airport Commission Meeting of
October 5, 2010

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
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B.		ROLL CALL:		3
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D.		SPECIAL ITEM:		
	1.	Election of Officers	10-0303	3
E.		ITEMS INITIATED BY COMMISSIONERS:		3
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	2.	Authorize Sale Up to \$900 Million in Series 2010/11 Refunding Bonds to Realize Debt Service Savings	10-0304	3-4
	3.	Reject Proposals - Terminal 3 Bookstore Lease	10-0305	4-5
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	4.	Authorize Issuing RFP to Provide Bond Under- writing & Related Investment Banking Services	10-0306	5
	5.	Bond Resolution Consolidating Prior Commission Resolutions Re Airport Bonds, Authorizing Add'l Airport and SFO Fuel Company LLC Bonds, and Authorizing Certain Other Debt-Related Matters	10-0307	5-6
	6.	Authorize Issuing RFQ/P - Professional Services - Contract 9007A - FAA - Airport Geographic Information System Pilot Project	10-0308	6
	7.	Award Terminal 3 Boarding Area F Gourmet Food & Gifts Store Lease - Marilla Chocolate Co.	10-0309	6
H.		NEW BUSINESS:		
		Airport Express		
I.		CORRESPONDENCE:		
J.		CLOSED SESSION:		
		Airis SFO, LLC, et al v. CCSF Potential Litigation		
K.		ADJOURNMENT:		

AIRPORT COMMISSION MEETING MINUTES

October 5, 2010

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:04 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:

Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Rich Guggenhime

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of September 21, 2010 were adopted unanimously.

No. 10-0302

* * *

D. SPECIAL ITEM:

Commissioner Johns motioned, with a second by Commissioner Crayton, the nomination of Commissioner Mazzola as President. Commissioner Ito motioned, with a second by Commissioner Guggenhime, the nomination of Commissioner Crayton as Vice President. The vote to approve was unanimous.

1. Election of Officers

No. 10-303

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Guggenhime and seconded by Commissioner

Ito. The vote to approve was unanimous.

2. Authorization for Sale of Up to \$900 Million of Series 2010/11 Refunding Bonds to Realize Debt Service Savings

No. 10-0304

Resolution authorizing sale of up to \$900 million of traditional fixed rate refunding bonds to realize debt service savings under current market conditions.

Mr. Leo Fermin, Deputy Director, Business and Finance said that interest rates for municipal bonds have declined significantly over the past year. Last October they averaged in the 5.6% range, and now they are averaging in the 4.6% range. We have an opportunity to do fixed rate refunding to achieve savings. Currently, about \$600 million of bonds can be refunded for savings, saving us over \$2.4 million annually in debt service costs. If interest rates were to drop another ½ % we may be able to refund as much as \$900 million. This resolution authorizes up to \$900 million in traditional fixed rate refundings between now and June 30, 2011. As of now, we will likely do the refundings in two batches. A first set in mid November, and a second set in December. This fixed rate refunding plan has been reviewed and approved by the Airport's Financial Advisory Committee.

Commissioner Guggenhime commented that this seems crystal clear. If we get a low interest rate and a fixed rate, you know what your cost is. That makes it much easier to have a forward going budget with accuracy.

Mr. Fermin replied that it did.

Commissioner Ito understood that this will be done on a negotiated basis with the investment banks that are on our pre-qualified list ... is that correct?

Mr. Fermin replied that it is. The Commission previously approved a pool of underwriters. We've been tapping into the pool to negotiate with those firms.

Item No. 3 was moved by Commissioner Guggenhime and seconded by Commissioner Mazzola. The vote to approve was unanimous.

3. Reject All Proposals - Terminal 3 Bookstore Lease

No. 10-0305

Resolution rejecting all proposals submitted in response to the Request for Proposals for the Terminal 3 Bookstore Lease, and termination of the RFP process.

Mr. Fermin said that the Compass bookstore is located in Terminal 3 at the corner of the entrance to Boarding Area F, across from the Yankee Pier restaurant. The lease will end this coming December 15. A competitive selection process was conducted for a new lease. In the meantime, staff has been looking at alternative ways to improve the security screening checkpoint at Boarding Area F and the screening processing times. One idea being looked is to move the outer building

wall, which houses the bookstore, to increase the checkpoint space. It is highly likely that this idea, as well other options being reviewed, will result in the square footage of the bookstore changing, as well as potentially changing the orientation of the bookstore space itself. If this were to happen, the new space would be very different from what was described in the RFP and from what proposers bid on. Therefore, we believe it prudent to reject the two proposals received and to commence a new process once plans for the new expanded security checkpoint are finalized and we know what the new space configuration will be. When the current lease expires on December 15th we will do a temporary holdover until we complete a new selection process.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 4 through 8, was moved by Commissioner Guggenheimer and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Authorization to Issue a Request for Qualifications to Provide Bond Underwriting and Related Investment Banking Services

No. 10-0306

Resolution authorizing issuance of a Request for Qualifications to provide bond underwriting and related investment banking services in connection with the Airport's financing program, on an as-needed basis for a period of two years.

5. Bond Resolution Consolidating Prior Commission Resolutions Regarding the Airport's Bonds, Authorizing Additional Airport and SFO Fuel Company LLC Bonds, and Authorizing Certain Other Debt-Related Matters

No. 10-0307

Resolution consolidating prior Commission authorizations and approvals into a single bond resolution, authorizing additional Airport and SFO Fuel Company LLC bonds to realize debt service savings, and authorizing certain other debt-related matters.

Commissioner Ito asked if new bonds would be issued.

Mr. Fermin replied that there are two new authorizations. First, we're increasing the principal amount of refunding bonds by \$1.6 billion. Previously our master bond resolution has always, as a broad framework, been approved by the Board of Supervisors the authorization to refund in the background \$2.5 billion worth of bonds. We've exhausted almost all of that except for about \$900 million. This additional \$1.6 billion will reinstate the \$2.5 billion that we've historically had before the Board of Supervisors. Further, we're asking for additional authorization of \$125 million for SFO Fuel Bonds, in the likely chance we may have to augment the fuel system or refund bonds for savings.

6. Authorization to Issue a Request for Qualifications/Proposals for Contract No. 9007A - Professional Services for the Federal Aviation Administration - Airports Geographic Information System Pilot Project

No. 10-0308

Resolution authorizing issuance of a Request for Qualifications/Proposals to select a professional team to provide consultation, survey and technical support services for the Federal Aviation Administration - Airport Geographic Information System pilot project.

7. Award Terminal 3 Boarding Area F Gourmet Food and Gifts Store Lease - Marilla Chocolate Company - Minimum Annual Guarantee: \$101,440

No. 10-0309

Resolution awarding the Terminal 3, Boarding Area F Gourmet Food & Gift Store Lease to Marilla Chocolate Co. for a seven year term and a MAG of \$101,440 for the first lease year.

Ms. Marilla Ginsberg, President, Marilla Chocolate Co. said that she is the proud recipient of the Terminal 3 Gourmet Food and Gift store lease. She thanked the Commission for awarding Marilla, a locally owned woman business enterprise, the wonderful opportunity at SFO. This year marks 25 years at SFO and this incredible milestone could not have been achieved without the respect shown and dauntless support given by Director John Martin, Deputy Director Leo Fermin, and members of the SFO's Revenue and Development team, Associate Deputy Director Cheryl Nashir and Tomasi Toki, Principal Property Manager. We enthusiastically look forward to making our continued contribution to SFO's retail program and in generating outstanding sales in this new location. Thank you.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Gil Sharabi, Airport Express, was present to speak on behalf of a majority of the airport shuttle companies ... companies that provide on-demand airport shuttle service from San Francisco Airport. Just to kind of come again to try and tell us our story. It's a very classic cookie cutter story that pretty much perpetuates the public's cynicism toward a lot of bureaucracy. The way that they run the actual terminals and the zones, it's just completely rigged against and rigged in favor of a big corporation. This idea that you can be the best company in the world, you can provide the best service, but it really doesn't matter because as long as you're a big corporation, you could get a fancy lobbyist and just effectively have everything rigged in your favor. And it's to the point where anybody that's impartial can actually just look at it and then quickly start to ask

questions ... why do they do this a certain way, why do they do that a certain way? And there's no justification for it. They don't base it on any merits, any criteria, they just simply pick and choose and they openly tell us, you're right, it's rigged against you, it's not a fair system, but we want to keep like this. You are getting a raw deal; if you don't like it, you're more than welcome to leave. And there are people without any oversight other than this distinguished panel. We can only come and plead with you guys to have them address it. Over the next three or nine months we're going to be incurring dramatic increases in all of our fees. Whether it's a mandate to purchase new vehicles; whether it's the new terminal opening up and the coordination cost. If people would just look at certain ways that they address it, there's just a lot of fishy coincidences that really it's impossible not to draw a cynical conclusion. Whether you look at a former Director of Landside Operations, which is the department that oversees us at the Airport. He left his post and coincidentally got a job with Super Shuttle after that. When you look at the way they force all the other companies to effectively subsidize the dispatchers for Super Shuttle ... and there's really a laundry list of things. We can go on and on but, if somebody would just start to ask what are the merits behind this system, what are they judging it on, what's any kind of criteria. It's almost impossible not to draw a cynical conclusion ... whether it's a random guy on the street, whether it's an educated lawyer. Lawyers hear our case and they do back flips. They say this is black and white. You're getting a raw deal and sue. Then they get into it and see that the City is protected by certain immunities so it pretty much negates any kind of lawsuit. We have no other recourse than to beg and plead with you to look into it. If someone were to just create a dialogue about it, or just ask about it, it's impossible to draw any other conclusion than something is wrong. They've been doing it for close to 20 years, and again, the Deputy Director openly said to us that they are very political ... as if that makes you provide a better shuttle service. These days they openly tell us, they say you're right, you're getting a raw deal, we don't want to change it though, if you don't like it, leave. We just don't look at that as someone that's overseeing things properly and that is actually protecting the public. We're a very competitive industry. We don't need any government subsidies or hand outs. We're not afraid to compete with a company like Super Shuttle ... we're a lot better than them. When you look at actual free market competition, we squash them. Thank you for your time. Please just create a dialogue about it just and ask them why they're doing this, why they choose to run things a certain way. Once you start to look at it you'll see there's no other conclusion to be drawn other than to ask them to fix it. Thank you very much for your time. We're deathly afraid of retaliation, by the way.

Commission Mazzola commented that this is ongoing. We'll just continue to see if we can find something that gets closer.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:20 AM and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) and S.F. Administrative Code Section 67.10(d)(1) entitled *Airis SFO, LLC, et al. v. City and County of San Francisco*, San Mateo County Superior Court No. 448274; California Court of Appeal, First Appellate District, Nos. A121855 and A122157; and Government Code Section 54956.9(b)(1) to confer with legal counsel regarding pending litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:47 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:48 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

**October 26, 2010
Special Meeting**

8:30 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

**COMMISSIONERS
LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
CARYL ITO
ELEANOR JOHNS
RICH GUGGENHIME**

**JOHN L. MARTIN
Airport Director**

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Minutes of the Airport Commission Special Meeting of
October 26, 2010

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AIRPORT COMMISSION SPECIAL MEETING MINUTES

October 26, 2010

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Linda S. Crayton, Vice President
	Hon. Caryl Ito
	Hon. Eleanor Johns
	Hon. Rich Guggenheimer

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of October 5, 2010 were adopted unanimously.

No. 10-0310

* * *

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Ito and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

1. Declaring the Week of November 15-22, 2010, "China Clipper Week at San Francisco International Airport"

No. 10-0311

Resolution declaring the week of November 15-22, 2010 "China Clipper Week at San Francisco International Airport" in recognition of the 75th Anniversary of the first commercial trans Pacific flight.

Mr. John Martin, Airport Director said we're asking your approval to recognize the 75th anniversary of the China Clipper flight, the first commercial flight across of the Pacific ... San Francisco to Manila via Honolulu, Midway, Wake, and Guam. The San Francisco Aeronautical Society along with Pan Am Historical Foundation have a number of events planned that week in San Francisco on Treasure Island. We will be doing several events in the Aviation Museum as well. We are asking your approval to name the week of November 15 -November 22, 2010 "China Clipper Week at San Francisco International Airport."

E. DIRECTOR'S REPORT:

2. Airport Concessions Performance - Fiscal Year 2009/2010

Report on the performance of Airport Concessions during Fiscal Year 2009/2010.

Ms. Cheryl Nashir, Associate Deputy Director, Revenue Development and Management presented the annual fiscal year end report on Concessions Performance analysis for 2009/2010 Concessions Performance. The four main categories contained in the report are food & beverage, retail, duty free retail and rental cars.

Despite the continuing global recession, SFO saw a 4.8% increase in enplaning passengers year over year. Concession sales were up 8.7% to \$633 million from \$582 million in FY 2008/2009, and concession rent was up 5.8% to \$86.5 million from last year's \$81.8 million. It is anticipated that the annual service payment to the City will be \$28.1 million for FY2009/10, a 4.9%. We're pleased to come out of this tough year, economically speaking, with growth, however, all real growth for the year came solely from our rental car tenants who saw a 13.5% increase in sales.

For the second year in a row we witnessed a plateauing of per passenger spending in retail and food & beverage. Retail sales were up 3.7%, food & beverage was up 3.3%, compared to the 4.8% growth in enplanements. It's disappointing but not totally surprising given the changes that have taken place in the last two years in consumer spending. Duty Free sales grew 2% for the year, to a total of \$60.2 million but much more encouraging is that all summer long we had double digit increase for Duty Free, up above the 20% per month range year over year. Rental car sales, which are technically rentals, account for more than half of the \$355 million in total concession sales, and their strong growth for the year came from an increase in rates. San Francisco International remains a leader in per passenger spending which is an indication of the public's reception to the concessions program. In your package there's a listing of the top 25 North American airports for passenger spending, an important benchmark that we follow. We're listed third for retail and food & beverage spending combined, behind JFK and Pittsburgh. There are critical differences among us ...JFK's passenger base is 48% international, which is a more lucrative passenger; we list Pittsburgh every year because of their high performance on a per enplaned passenger spending basis, however, they are not a peer of ours at 4 million annual enplanements. For food and beverage spending alone, San Francisco leads all North American airports.

Here's how we're going to grow our program in the year ahead. The opening of Terminal 2 will elevate overall spending with a program superior to Terminal 1 and a layout superior to any of our terminals. Further, we'll develop what we call the nooks and crannies ... and this is not stuffing all the corners in the building with concessions, rather it's a carefully chosen incremental development of spaces throughout our terminals. We'll develop some very attractive space that United

Airlines gave back to us recently. We are looking into concessions promotions, better information sharing with the passengers, and some customer service initiatives that hopefully will lead to better service and better, happier customers spending more money at our Airport. Finally, as the economy recovers, we should return to more robust spending at the Airport. We have approximately 22 leases and new spaces coming up for request for proposal during this fiscal year.

Commissioner Johns noted that there were a couple of operators that were having some challenges and asked if they have turned the corner.

Ms. Nashir replied we just recently brought before you a request to close the pre-security food courts in Terminal 1. It's been a challenging location base. Once those food courts close the tenants that were suffering the most will be able to save their other locations.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Caryl Ito announced that this was her last meeting. Her term has ended and she wanted to take this opportunity to thank her colleagues on the Commission, John, and the staff. It's been a great 12 years on the Airport Commission, although she has served the City for 21 years. It has been a privilege and an honor and she said it feels really good to leave her service at the top of a game. We survived 9/11, SARS, H1N1, Silicon Valley, terrorism, and our current recession and to be Number 1 in North America is a lot to be said. She congratulated everyone for what's been accomplished all these years.

Commissioner Mazzola congratulated Commissioner Ito.

Commissioner Crayton said that it has been an honor to have served with Caryl. She serves with such integrity and decorum and knowledge on the Airport Commission. Although Caryl will be missed, she was certain that her term and her ability to work in public service is not over. She looks forward to working with Caryl again. She admired and welcomed her knowledge on the Commission.

Commissioner Crayton recommended that we seek a commendation from the Board of Supervisors for Caryl's outstanding service on this Commission.

Mr. Martin said that Caryl has been on the Commission almost as long as he has been Director and it's been a great pleasure to work with her. He appreciated the personal level her support and her great dedication as a Commissioner. The staff knows of your dedication and commitment to SFO being Number 1, so on behalf of staff, thank you.

Commissioner Mazzola thanked Caryl because Caryl asked the hard questions when he got lazy. It's always been a pleasure serving with you.

Commissioner Ito thanked Commissioner Mazzola. His leadership has been unquestioned and it's been a real privilege. We all know that some Commissions don't get along. It's very disruptive and departments suffer from it, but we've been

very privileged to have worked very professionally, and with respect to the staff, John needs everybody's the support. We are going through a lot of changes and we have gone through a second and sometimes a third change in Senior Management. Because of the time we have all served here we have seen it all. The Director has done a remarkable job on the succession plan. The City Attorneys that have been with us have always said this is the most professional Commission they have ever served ... and that is because of the staff. Thank you.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was moved by Commissioner Guggenheim and seconded by Commissioner Crayton. The vote to approve was unanimous.

3. Selection of Consultant for Contract No. 9015.1, Master Architect for Air Traffic Control Tower / Terminal 1 Complex Redevelopment Program
Howard, Needles, Tammen & Bergendoff (HNTB)

No. 10-0312 Resolution approving selection of Howard, Needles, Tammen & Bergendoff (HNTB) as the highest ranked proposer, and authorizing the Director to enter into negotiations and prepare a professional services agreement for Contract No. 9015.1, Master Architect for Air Traffic Control Tower / Terminal 1 Complex Redevelopment Program.

Mr. Ivar Satero, Deputy Director, Bureau of Design and Construction said that in July staff issued an RFP for Master Architect Services to proceed with the design services required for the Air Traffic Control Tower in the Terminal 1 planning effort. This includes the boarding areas and the connector buildings as well. In September, the Airport received eight proposals. The eight firms were initially evaluated to determine if they met the minimum qualification requirements and all eight firms were determined to be well qualified to provide the required services. Reference checks were conducted of the prime firms, the proposed sub consultants as well as the key personnel in accordance with the guidelines set forth in the RFP. References were request to provide a numerical score in the key areas, including the firm's ability to meet project milestones and objectives, the quality of the documents they prepared and overall client satisfaction. The total score for the reference checks was out of 150 points. The Airport then convened a five member selection panel to review and score the proposals. Based on the selection panel scoring of the proposals out of a total of 190 points, combined with the scores received on the reference checks, the Airport developed a ranking of the firms. In accordance with the RFP, the top five highest scoring firms were invited to the oral interview phase, consisting of KMD Architects, HOK, Fong & Chan Architects, Perkins & Will and HNTB. The interviews were conducted over two days with these five highest ranked proposers. The selection panel scored the firms in accordance with the criteria of the RFP. Based on the results of the combined scores of the proposals, references and interviews, staff determined HNTB to be the highest ranked proposer with a score of 446.2 points out of the total of 490 points. All firms received scores in excess of 87% of the points of the

total points possible, indicating an extremely well qualified short list of firms. Although there were no DBE participation goals, HNTB has committed to DBE participation with SJ Engineers, FW Associates, and Robin Chang and Co., all certified DBE firms. Upon successfully negotiating terms and conditions, staff will return with a recommendation to award.

Item No. 4 was removed from the calendar without discussion.

4. Reject All Proposals and Authorize a New Request for Proposal Process for Contract No. 9015.1 - Master Architect for Replacement for Air Traffic Control Tower / Terminal 1 Complex Redevelopment

Resolution rejecting all proposals and authorizing a new Request for Proposal process for Contract No. 9015.1, Master Architect for Air Traffic Control Tower/Terminal 1 Complex Redevelopment Program.

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

5. Award of the Terminal 2 Specialty Store Lease - Melshire DFW, L.P. dba Natalie's Candy Jar - Minimum Annual Guarantee: \$141,000

No. 10-0313

Resolution award of the Terminal 2 Specialty Store Lease to Melshire DFW, L.P., dba Natalie's Candy Jar for a term of seven years and a Minimum Annual Guarantee of \$141,000 for the first lease year.

Ms. Nashir presented the results of the proposal review and evaluation process for the Terminal 2 Specialty Store Lease and recommendation to Melshire DFW, L.P., dba Natalie's Candy Jar. This lease was the subject of a Request for Proposal earlier this year and was originally awarded to Charles Chocolates in February with the bulk of Terminal 2 leases. In mid May after Board of Supervisor approval, Charles Chocolates notified the Airport that it had lost its primary investor and could not go forward with the lease. On June 15th, we returned to you for authorization to reissue the Terminal 2 Specialty Store Lease Request for Proposal. The business terms were as follows: The concept was open with a few exceptions, it couldn't be a museum store, it couldn't be a newsstand or a bookstore, or a technology store. The premises include a 928 square foot store in the vicinity of the hold rooms and the food court in Terminal 2. A seven year term with no options and a minimum annual guarantee set at no less than \$135,000. On September 30th the Airport received three proposals: Melshire DFW proposed Natalie's Candy Jar, RDG Concessions, LLC proposed FaceTime, a watch a sunglass store/concession, and Skyline Concessions proposed The Candy Bar. RDG Concessions is an existing tenant that operates FaceTime and Pacific Outfitters; and Skyline Concessions is a new entity formed by the General

Manager of one of our largest concessionaires, Pacific Gateway Concessions. Airport staff reviewed the proposal to ensure minimum qualifications were met and a three member panel selected Natalie's Candy Jar as the apparent successful proposer. Natalie's is a disadvantage business enterprise in Texas, operating at Dallas Fort Worth, Indianapolis, and San Antonio airports. It carries many different brands of candy and will feature such local brands as Charles Chocolates, Recchiuti Confections, and Guittard Chocolate Company, and will also carry Jelly Bellies. Their minimum annual guarantee is \$141,000.

Commissioner Crayton said that she knew they were a disadvantaged business enterprise in Texas, but asked if they have filled out the paperwork to become one in California. Does that classification change from Texas to California?

Ms. Nashir replied they do not, however, they have begun speaking with Sandra Crumpler. They are in town this week to fill out the certification paperwork.

Mr. Martin added that they are an FAA certified DBE, which is a requirement.

Ms. Celo Tau, managing partner of Natalie's Candy Jar, said they greatly appreciate the opportunity to be a part of Terminal 2's future. She is confident they will be an asset to the Airport and the traveling public. This will be an exciting new store location for their company and she thanked the Commission for its consideration.

Item No. 6 was moved by Commissioner Johns and seconded by Commissioner Crayton. The vote to approve was unanimous.

6. Authorization to Cease Negotiations Under Request for Proposal No. 8841 Ground Transportation Management System (GTMS) and to Seek Authorization to Issue a New Request for Proposal and to Conduct the Competitive Selection Process for a Combined Ground Transportation Management System/Taxi Management System

No. 10-0314

Resolution terminating the Request for Proposal (RFP) process for Contract 8841 and to conduct a competitive selection process for a new combined Ground Transportation and Taxi Management System that will track commercial vehicle activity, upgrade the existing Taxi Revenue System and provide data for management and improved billing and oversight; and authorize staff to negotiate with the highest ranked proposer.

Mr. Tryg McCoy, Deputy Director, Operations & Security explained that this item terminates the RFP process and terminates negotiations with the highest ranked proposer for a new Ground Transportation Management System (GTMS) and authorize us to issue a new request for proposals for a combined Ground Transportation and Taxi Management System. In May 2008 the Commission approved Resolution No. 08-0090 authorizing staff to issue an RFP for a new

GTMS and to enter negotiations with the highest ranked bidder. Over a year was spent working with a consultant in the Airport's ITT department to develop the business needs and the system's technical specifications. Staff received six qualified proposals for the GTMS and the selection panel rated a proposal by Transcor, Inc., a leading automated vehicle identification system provider, as the highest ranked proposer. During the course of contract negotiations with Transcor, it became clear that while the new GTMS would provide the necessary functionality and capability, it didn't fully capture the considerable technical complexity and challenges of implementing a new ground transportation system. Originally, staff sought to issue a separate RFP for a taxi revenue system and then integrate it into the new GTMS. However, based on contract discussions, we now believe it's best to integrate the development of a taxi revenue system into a new comprehensive ground transportation RFP., combining the related systems into one new computerized system. Joining the systems through a new RFP would benefit the Airport by reducing development cost we would incur had we done them separately and will create a seamless integration between the systems and expedite the development and implementation timeline.

We seek approval to issue a new RFP to select a qualified contractor to design, develop, and install an integrated solution for a combined ground transportation and taxi management system replacing the current system. The time spent developing the specifications for the separate GTMS and the taxi revenue system will enable us to quickly issue a new combined RFP. With your approval, we will issue the new RFP in the next two months and return to the Commission in March 2011 to award. Staff will return to the Commission to seek further direction should negotiations fail with the top ranked proposer. This is a background computerize system that will help us track and build the ground transportation operations. This is no way changes current operating procedures that ground transportation companies follow; it's just a background revenue management system.

Commissioner Johns asked what this system does, in practical terms.

Mr. McCoy responded that all of our ground transportation operators ... limousines, buses, shared ride, taxis ... go to our ground transportation center for transponders.

Commissioner Johns asked where that is that located.

Mr. McCoy replied it's on Airport. That's where we do annual safety inspections for all vehicles. We also check their insurance, we set up their account, and put a transponder on the vehicle. As vehicles come into the Airport the transponders are

picked up by readers, and a fee based on the type of operation is charged. This is our own FasTrak system. The problem is that the vendor of the readers, the vendor for the transponder that goes on the vehicle, as well as the current vendor that supplies the software behind all of that have all gone out of business. So, while the system is fine, it needs to be replaced, and that's what we are doing. Commissioner Johns said that originally taxis were not going to be included. Mr. McCoy replied they were not. We were going to have a separate system for taxis because they operate separately. They have a value added card. They

aren't billed by the transponder, they're billed every time they exit with the card they carry because we can't bill the taxi companies. We have to bill the drivers and that's why the system is separate. This will combine the two systems.

Commissioner Guggenheim assumed that the software system will be designed specifically for our needs.

Mr. McCoy replied that it is. We have a complex system.

Commissioner Guggenheim assumed that we will again be beholding to the company and hope they don't go out of business and leave us without support.

Mr. McCoy said there will be a couple of safeguards. It's specified that it's an open source architecture, so we will own the software that is built into the transponders, and the overhead readers, so should that company disappear we know what the software is. In the past, it was proprietary and we can't get in and modify it. The other good thing is, the company that won the first RFP would likely bid again, as well as other companies. There are large established companies that do this throughout the country that have been in business for a number of years.

Commissioner Guggenheim assumed that we have a firewall that protects the Airport. I clearly understand and can see why it has to be designed just for us and for our protection and the protection of the taxis. Are we reinventing the wheel?

Mr. McCoy replied we are not. We are customizing the wheel to fit our needs; we are not reinventing it.

Commissioner Ito asked, in terms of our ground transportation management, is the curbside management contract integrated with this planning as well.

Mr. McCoy responded that it is completely separate. Curbside Management implements our policies in terms of how vehicles access the Airport. This is really a back office billing system. It's not driving any changes to the operation, it's just supporting whatever changes we may propose in the future.

Commissioner Guggenheim assumed that if the current system changes, this software you will have designed could meet those needs.

Mr. McCoy replied absolutely.

Commissioner Guggenheim asked if he built into this opportunity comment from taxi owners and others.

Mr. McCoy responded that we have not. It's simply a billing system.

Commissioner Guggenheim said in terms of their understanding what's going on.

Mr. McCoy replied that we are happy to do that after we do this

Item No. 7 was moved by Commissioner Ito and seconded by Commissioner Johns. The vote to approve was unanimous.

7. Award of Sole Source Contract No. 9046 - SAFE Identity Management System Quantum Secure - \$225,000

No. 10-0315 Resolution awarding sole source Contract No. 9046, SAFE Identity Management System, to Quantum Secure in an amount not-to-exceed \$225,000.

Mr. McCoy said, Commissioners this is completely different bit of software here. What I'm now speaking about is the software that manages the Airport's badging system. You've all gone and gotten your badges. It's the software behind that so, what we're asking for you to approve is the sole source Contract No. 9046 for a software system called SAFE Identity Management Systems to Quantum Secure in the amount not to exceed \$225,000. SAFE is the name of the software that manages the Airport's ID badging process and SAFE is the product produce by company called Quantum Secure. Quantum Secure's SAFE software is an identity management system to interface SFO's physical access control system. On July 1st the Airport entered into a software maintenance agreement with Quantum Secure effective through June 2011. Although the Airport has purchased a software and has an existing maintenance agreement with Quantum Secure, a new separate contract is needed to procure additional product features and additional customization to our use. The new contract will allow San Francisco International Airport to procure software development hours and new software functionality from the original supplier of this proprietary software. The proprietary nature of the software prevents the Airport from procuring system improvements from any source other than Quantum Secure. The HRC has found that Quantum Secure meets Chapter 12B requirements and is a verified City vendor. On August 4, 2010 the HRC waived Chapter 14B LBE subcontracting participation goals and approved a sole source waiver for Quantum Secure and the OCA has approved the sole source waiver for Quantum Secure. So in summary, I'm recommending the Airport Commission approve this resolution to award sole source

Contract No. 9046 Safe Identity Management System to Quantum Secure in the amount not to exceed \$225,000.

Commissioner Mazzola asked if everyone will have to be re-badged.

Mr. McCoy said it's going to make the process a little easier.

Item No. 8 was moved by Commissioner Guggenhime and seconded by Commissioner Ito. The vote to approve was unanimous.

8. Amendment to Supplemental Bond Resolution Governing Variable Rate Bonds to Permit Index Rate Bonds and Remove Auction Rate Bond Provisions

No. 10-0316 Resolution approving an amendment to Eleventh Supplemental Bond Resolution No. 03-0220

allowing for the use of index rate bonds, which may become a cost-effective variable rate refunding structure under future market conditions, and to remove auction rate bonds which are no longer beneficial to the Airport.

Mr. Leo Fermin, Deputy Director, Business and Finance said that the Airport's Financial Advisory Committee has reviewed and approved this item which updates our Master Bond Resolution. The Master Bond Resolution is the overall framework under which individual bonds sale resolutions work. This item does two things. First, it allows for the use of a new type of variable rate bond called an index rate bond; second, it removes provisions for any future use of auction rate bonds. We have no plans at this time to use index rate bonds since we are focused on locking in long term fixed rate and our refunding is going forward. However, index rate bonds have the advantage of not requiring a letter of credit or standby bond purchase agreement, which is expensive in today's market and very difficult to get. Consequently, index rate bonds are a good tool to keep in our back pocket and allowed for under our Master Bond Resolution. We would have to come before you to seek authorization to issue these kinds of bonds and individual sales resolutions going forward.

Commissioner Guggenlime said this a great idea. You're going to fixed rate with interest rates so low. Going to an index rate bond instead of an auction rate variable, because you don't need a letter of credit or a guarantee, is a great idea.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 9 through 18, was moved by Commissioner Ito and seconded by Commissioner Crayton. The vote to approve was unanimous.

9. Authorization to Solicit Bids - Contract 9000 - Solid Waste Management Services
No. 10-0317 Resolution authorizing a bid call for Contract 9000, Solid Waste Management Services, to provide for Airport-wide waste collection, recycling and disposal services, upon the expiration of the current contract on April 1, 2011.

Commissioner Johns remembered the way the RFP was written and that it was pretty much tailored to the current operator, So. San Francisco Scavenger. The reason was the requirement to hand separate waste materials for this solid waste contract. No one else could do it because no one else had that kind of labor. She thought it appeared that we're still going to have to do some hand separation because it can't all be separated at the Airport. She asked if we are going to be in the same kind of situation again where only one company can respond, or is something different.

Mr. Satero replied that we are looking forward to the industry outreach and feedback we get on this. We are aware that San Jose's provider does automated

separation and doesn't rely on hand sorting. They do additional separation at their facilities and we're trying to understand what that is. We believe we'll have several proposers ... perhaps three or four. We need to understand who has that capability and who doesn't have the capacity to increase the recycling rate through an automated process. We think that technology does exist for automated recycling separation.

Mr. Martin added that we will do a pre-proposal conference and return to the Commission for final authorization on the document.

Commissioner Johns recalled that is why Recology, our local collector, could not bid on the project or weren't qualified to do the work we specified.

Mr. Satero replied that there's a very low separation recycling rate because it is so labor intensive. The technology, once we understand what it is, may allow us to ramp up that recycling rate. We're just not sure who has that capability. We don't want to be into a position of a single provider either, so we will return with a recommendation, once we hear from the industry, before we go forward with advertising.

Commissioner Johns asked if we have made any changes in our food and beverage areas where more recycling is done, rather than throwing everything in and having it separated off site.

Mr. Satero replied we did. In fact, a significant benefit to source separation was we did a waste stream analysis and we determined that the amount of compostable materials going into our food court containers was such a high level that those dumpsters now get diverted directly to composting facilities. We are doing much greater source separation.

Commissioner Johns assumed that we are making space for each food court vendor in Terminal 2 to do that.

Mr. Satero replied that we are. We are requiring compostable food packaging as well as the next step.

10. Amendment No. 2 to North Terminal (Terminal 3) Bookstore Lease No. 00-0176 with Books, Inc.

No. 10-0318

Resolution approving Amendment No. 2 to Books, Inc.'s North Terminal Bookstore Lease No. 00-0176, which (1) correctly reflects the lease premises, (2) adjusts the Minimum Annual Guarantee and amends the percentage rent structure; and (3) establishes a Facilities Improvement Requirement during the holdover period.

11. Commence the Competitive Selection Process for the Domestic Terminal

Automated Retail Vending Lease

No. 10-0319 Resolution approving the proposed minimum qualifications and lease specifications, and authorizing staff to commence the Request for Proposal process and conduct an informational conference for the Domestic Terminal Automated Retail Vending Lease.

12. Commence Competitive Process for the Rapid Charging Stations Lease

No. 10-0320 Resolution approving the proposed minimum qualifications and lease specifications, and authorizing staff to commence the competitive selection process for the Rapid Charging Stations Lease through a Request for Proposal.

13. Bid Call - Contract No. 9037 - Lot DD Solar Power System

No. 10-0321 Resolution approving the scope, budget and schedule for Contract 9037, Lot DD Solar Power System, and authorizing the Director to call for bids when ready.

14. Modification No. 1 to Contract No. 8690, Jet Fuel Remediation Services in Plot 23 and Boarding Area B - \$93,104

No. 10-0322 Resolution approving Modification No. 1 to Contract 8690, Jet Fuel Remediation Services in Plot 23 and Boarding Area B, in an amount not-to-exceed \$93,104 for additional work to abandon the monitoring wells at both sites, pending final approval by the Regional Water Quality Control Board.

15. Bid Call - Contract No. 8595A - Storm Drainage System Improvement - Phase I

No. 10-0323 Resolution approving the scope, budget, and schedule for Contract No. 8595A, Storm Drainage System Improvement - Phase 1, and authorizing the Director to call for bids when ready.

16. Authorization to Establish a Special Event Fund for Airport Promotion and Special Events

No. 10-0324 Resolution recommending that the Board of

Supervisors adopt an ordinance establishing a special fund to receive donations to offset the cost of Airport special events related to the opening of Terminal 2 and authorizing the Airport Commission to make expenditures from the fund for that purpose.

Mr. Martin said this will allow us to establish a fund for the Terminal 2 opening. We will return to the Commission in late November or early December for approval on a budget that will reflect funds committed by the Airport as well as fund raising. The events might include a day for the general public, an event for employees, both construction employees and Commission, and some type of gala.

Commissioner Guggenheimer asked if there will be 501c3 for non-profit, tax deductible contributions.

Mr. Martin replied that it will not be a 501c3.

Commissioner Crayton thought that M-Line was going to do the event and she wants other minority vendors to have an opportunity to participate. She does not want M-Line to control the entire event. She needs to know that.

Mr. Martin said other firms are involved.

Ms. Kandace Bender, Deputy Director, Communications & Marketing said the event planner for the T-2 opening events is Lynne Winslow of Winslow & Associates. The M Line is not involved in this.

Commissioner Crayton wants this to be a DBE opportunity. Is Lynne Winslow a DBE?

Ms. Bender replied she is.

Commissioner Crayton said that this is an opportunity to bring new people in. Lynne has done most of our events. Can we involve other new people?

Ms. Bender replied that we are still in the planning process. This is sort of under the umbrella organization to help us put the events together.

Mr. Martin added that Ms. Stump, Airport General Counsel, pointed out that Lynne Winslow is a subcontractor to M Line.

17. Modification No. 1 of L09-0023 with Michael C. Mitchell for an Off-Airport Property Lease of 837 Malcolm Road, Burlingame, CA

No. 10-0325

Resolution approving Modification No. 1 of Lease L09-0023 for off-Airport property at 837 Malcolm Road, Burlingame to reduce the rent and extend the

term of the lease.

18. Ratification of the Settlement of Unlitigated and Litigated Claims Not Exceeding \$10,000 During FY 2009-2010

No. 10-0326

Resolution ratifying the settlement of unlitigated and litigated claims for FY 2009/10 amounting to \$29,937.64.

* * *

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Gil Sharabi, Airport Express, said that he came to once again plead and beg with the Commission to mandate specific changes towards the shared ride industry otherwise, they've made a clear that they're not going to make any changes. In all the years I have dealt with them it's very difficult to get a straight, direct answer about anything. All their answers are always slanted towards the particular agenda they're trying to push. They've made it very clear over the years that they want a monopoly or a duopoly, as opposed to a more competitive shared ride environment. They're not going to let facts confuse them ... there are a number of vendors that have been around a lot longer than Super Shuttle that helped pioneer the industry. It can easily be argued that they provide a much better service. One question you will get a straight answer on is should Super Shuttle get preferential treatment? Yes. That's the only time I ever hear a one word straight answer from anybody. They can be very candid in saying yes, they're getting preferential treatment but, it's very hard to make changes because they've had it so long. Obviously, it's easier just to pick everyone based on the past proposals they've offered. It's un-American. We don't know why you're doing this to us. We're better than them. We believe we're equal. We should have a fair competitive environment. They're effectively giving a handout to Super Shuttle and maybe a couple of other companies, despite the fact that it's at a detriment to the consumer, to the taxpayer, and certainly to all the other companies that have pioneered the industry and been around a lot longer than Super Shuttle. It can easily be argued that there are genuine facts that can easily be vetted, pretty much indisputably. If you look at them you will see it's a very competitive environment. They're just getting a hand out, plain and simple. Again, why, somebody please tell me why. The rent is too damn high.

Mr. Martin said that we keep trying to engage all of the operators and we want operators discussing items with the Airport. Sometime in the future we'd like to try to do another RFP and see if we can get that complete. That's the solution. Everyone has to be treated with respect in the way they address each other. That is a problem.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:45 AM and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding pending litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 10:08 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:10 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

**November 23, 2010
Special Meeting**

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

ELEANOR JOHNS

RICH GUGGENHIME

JOHN L. MARTIN

Airport Director

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Minutes of the Airport Commission Special Meeting of
November 23, 2010

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AIRPORT COMMISSION SPECIAL MEETING MINUTES
November 23, 2010

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Eleanor Johns
	Hon. Rich Guggenhime

Absent:	Hon. Linda S. Crayton
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C. ADOPTION OF MINUTES:

The minutes of the special meeting of October 26, 2010 were adopted unanimously.

No. 10- 0327

* * *

D. DIRECTOR'S REPORT:

1. Annual Equal Employment Opportunity Labor Force & Activities Report for Fiscal Years 2009/10 and 2010/11

Airport Commission's Equal Employment
Opportunity Labor Force and Activities Report for
Fiscal Years 2009/10 and 2010/11.

Ms. Theresa Lee, Deputy Director, Administration said that the Airport's EEO program includes information regarding prior fiscal year activities as well as planned activities for this fiscal year; also included is a labor utilization analysis. The workforce comparison from June '09 to June '10 reflects a decrease of approximately 3½%. The Airport utilizes over 200 job classifications from eight job categories from Administrators, professionals, to service and maintenance. We will continue to address those job categories where there is under utilization and these activities will include increasing our internship opportunities, targeted recruitments, and continue working with unions, community-based organizations, and professional organizations. Although the Airport has been very successful in diversifying our workforce over the years, we recognize there is still more to do and we will continue to identify those opportunities for all people to compete for employment and promotional opportunities at SFO.

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 2 was moved by Commissioner Johns and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

2. Award Professional Services Agreement for Contract No. 9015.1 - Master Architect for Air Traffic Control Tower/Terminal 1 Complex Redevelopment Program - Howard, Needles, Tammen & Bergendoff (HNTB) - Not to Exceed \$11,704,955

No. 10-0328

Resolution awarding Professional Services Agreement for Contract 9015.1, Master Architect for Air Traffic Control Tower / Terminal 1 Complex Redevelopment Program to Howard, Needles, Tammen & Bergendoff (HNTB) in an amount not to exceed \$11,704,955.

Mr. Ivar Satero, Deputy Director Bureau of Design and Construction said that staff has successfully negotiated the amount of \$11,704,955 with HNTB for professional services for the three tasks of the Master Architect scope of work.

The first task is for the development of the programming and conceptual design documents for the entire Terminal 1 Complex and we have negotiated a lump sum of \$8.4 million for this scope of work. Task 2 is the development of 45% Complete Design Development Documents for the replacement Air Traffic Control Tower and Integrated Facility with a negotiated lump sum amount of \$3 million. Task 3 is a review by the Master Architect of designs that are prepared by follow on design firms, in particular Checkpoint C and the Secured Connectors in sterile corridors. This Master Architect will perform a peer review to make sure it's in accordance with the intent of the original design, so an allowance of \$250,000 was added. Additionally, we are requesting approval of a \$1.6 million contingency budget. The biggest component of that amount is \$500,000 for laser scanning of the facility, and we're proposing to do this as an initial step. This develops the building model for the design work and essentially supports the preparation of the design for the terminal. The remaining contingency of \$1.1 million is approximately 10% of the scope of work and this will provide for any FAA requested or Airport requested changes as the design progresses. At the 15% design level of completion for the Air Traffic Control Tower and integrated facility, we're going to take that deliverable and issue it as a bridging document so we can get our design build contractor on board. The design build contractor will provide pre-construction services and architectural peer review of the Master Architect scope of work. The Master Architect scope of work will continue until the 45% design is achieved and then the transition to the design build team will occur at that 45% design. The schedule to

complete Tasks 1 and 2 is 12 months and although there are no DBE specific goals, the team has committed to using Robin Chiang and Company and F W Associates, both certified DBEs, as part of their team. Following Commission approval of this resolution, we will submit this package to the Board of Supervisors for their approval in accordance with Ordinance 9.118 City Charter 9.118.

Commissioner Johns thought that Fong & Chan was second in line.

Mr. Satero replied that they were.

Commissioner Johns asked if they were added as a subcontractor in the negotiation.

Mr. Satero replied that they are part of the team. Their primary responsibility is the Terminal 1 scope of work, which is where their strengths lie.

Commissioner Guggenheimer assumed that the bottom line bid amount has not changed.

Mr. Satero responded that it's a negotiated amount and.

Commissioner Guggenheimer asked if it's within what we thought the scope would be.

Mr. Satero responded that it's within our expectation. It's more than our original budget, but we did not have a good definition of what those costs would be until we got the first cost proposal from HNTB. So, it's within what we would consider to be a range of reasonableness.

Item No. 3 was moved by Commissioner Johns and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

3. Select Operator of Free Wi-Fi Service for the Traveling Public - Advanced Wireless Group

No. 10-0329

Resolution approving selection of the highest-ranked proposer, Advanced Wireless Group, for operation of the Public Wi-Fi System and authorizing staff to begin negotiations, and, if necessary, the next sequentially highest ranked proposer.

Mr. Leo Fermin, Deputy Director Business & Finance said that this past August we converted the public Wi-Fi at the Airport from a pay basis to a free basis for the

traveling public. At the time, we executed an interim operating agreement with T-Mobile to operate the system on a free to the public basis while we conducted a competitive selection process to select a longer term operator. We issued the RFP and received four proposals. The evaluation criteria consisted of 15 individual criteria grouped into three general categories. The first category consisted of criteria that addressed the proposer's plan approach, their proposed technical solution, their

proposed staff to assign to SFO their experience and the strengths of their financial condition. All together, this category accounted for 1/3 of the total possible points. The second category accounted for another 1/3 of the total possible points. The next evaluation category looked at the user experience based on the proposed content presentation. In other words, the percentage of the landing page available for SFO content, the duration of the sponsorship videos, the percentage of interior pages used for advertising and the overall ease of use and esthetics once connection is made. Finally, the financial offer accounted for another 1/3 of the total possible points. The selection panels unanimously ranked Advanced Wireless Group the highest overall. This company currently operates public wi-fi, mostly on a free basis, at eight airports in the country, including Atlanta Hartsfield, Miami, Boston Logan, Indianapolis and Sacramento, as well as Burbank in Southern California. Staff contacted these airports and received excellent feedback on the firm's track record. With your approval, we will negotiate a contract with this firm, and if negotiations are not successful, then we will move to the second highest ranked proposer. We will return to award the contract.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item No. 11 was removed from the calendar. The Consent Calendar, Item Nos. 4 through 10 and 12, was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

4. Modification No. 3 (Close-out) to Contract No. 8873A - 575 N. McDonnell Road Office Modernization - BCCI Construction Company - \$555,625

No. 10-0330	Resolution authorizing Modification No. 3 to Contract 8873A, 575 N. McDonnell Road Office Modernization, with BCCI Construction Company, to reinstate the originally authorized contingency budget for Type 1 change orders in the amount of \$555,625 for a new contract amount not to exceed \$9,453,956.
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5. Novation of Terminal 2/Boarding Area D Baggage Handling System Contract from Turner Construction to the Airport

No. 10-0331	Resolution novating to the Airport the Terminal 2/Boarding Area D Operations & Maintenance contract for Baggage Handling System between Turner Construction Company (TCCo) and the O&M provider, in the combined amount of \$4,765,114. This will result in a reduction in the Guaranteed Maximum Price (GMP) for Contract 8757A, Terminal 2/Boarding Area D Renovations, with TCCo of \$5,291,178 (including return of certain fees/costs), for a new GMP of \$378,258,317.
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6. Authorization to Issue a Request for Proposal for Professional Services for Contract No. 9073 - Maintain and Repair Certain Airport-Owned Passenger Boarding Bridges and Baggage Handling Systems in Domestic Terminals

No. 10-0332 Resolution authorizing the Airport to issue a Request for Proposal for Professional Services for Contract No. 9073, Maintain and Repair Certain Airport-Owned Passenger Boarding Bridges and Baggage Handling Systems in Domestic Terminal.

7. Bid Call - Contract Nol. 8580 - Terminal 3 and Boarding Area F Carpet Replacement

No. 10-0333 Resolution approving the scope, budget and schedule for Contract 8580, Terminal 3 and Boarding Area F Carpet Replacement and authorizing the Director to call for bids when ready.

8. Authorization to Accept Bids for the Garage Taxi Staging Area Mobile Catering Truck Lease

No. 10-0334 Resolution approving the revised minimum qualification requirements and lease specifications, and authorizing staff to accept bids for the Garage Taxi Staging Area Mobile Catering Truck Lease.

9. Bid Call - Contract No. 8595B - Storm Drainage System Improvement - Phase II

No. 10-0335 Resolution approving the scope, budget, and schedule for Contract No. 8595B, Storm Drainage System Improvement - Phase II, and authorizing the Director to call for bids when ready.

10. Bid Call - Contract No. 8710 - Terminal 1 Roofing Improvements

No. 10-0336 Resolution approving scope, budget and schedule for Contract 8710, Terminal 1 Roofing Improvements, and

authorizing the Director to call for bids when ready.

11. Amendment No. 2 to International Terminal Bookstore/Café Lease No. 99-0273 Advent International Corporation

Resolution approving Amendment No. 2 to Advent International Corp.'s International Terminal

Bookstore/ Café Lease No. 99-0273, approving the holdover not to exceed 15 months, adjusts the Minimum Annual Guarantee, eliminates the Disadvantaged Business Enterprise requirement, and requires certain facility improvements during the holdover period.

12. Triptel, Inc.'s Cellular Phone Rental Service Lease No. 07-0086 - Exercise of the First of Two One-Year Options

No. 10-0337

Resolution approving the exercise of the first of two one-year options under Cellular Phone Rental Service Lease No. 07-0086 with Triptel, Inc., for an option term of May 2, 2011 through May 1, 2012, under the existing terms and conditions.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Edward Hasbrouck, working with the Identity Project on travel related civil liberties and human rights issues. I'm here to call to your attention to and to request your action on the on-going pattern and systematic practice of criminal activity by Covenant Aviation Security at the Airport, including impersonating law enforcement officers, sexual assault and simple assault and battery against passengers and employees and Airport workers. As you know, Covenant staff are not police; they're not law enforcement officers; they are not government employees; they have no immunity from liability when they violate criminal laws. Their misrepresentation of themselves as law enforcement officers is long standing, including false affirmative claims to be TSA officers, use of the title "Officer" when they aren't, and uniforms deliberately designed, including TSA insignia and badges, to create the false impression that they are officers, giving greater significance in a situation meant to intimidate people, to submit to the virtual strip search and/or to genital groping in violation of California assault and battery statute, including California sexual battery. You are responsible for this as the operator of the Airport. Things that can be done include making sure that their uniforms are changed, making sure that passengers are affirmatively informed that these people are not police and have no police powers, and are not government employees, making information available to passengers and Airport workers alike as to how to make citizens' arrest or the procedures to bring charges against them. I'm pleased that the San Mateo County District Attorney has already indicated their willingness to proceed with criminal sexual battery charges against those screeners who may commit these crimes, but that's not enough for you. I'm here also to make clear on the record of this meeting you are fully aware that this is happening and you bare responsibility for it as does the City and County and that should you choose not to act that will be a knowing and deliberate act for which you will incur further liability. I

realize that this puts you in a very difficult situation but I think that your responsibility is clear ... your responsibility to the traveling public, your responsibility to those who work at the Airport in this environment of sexual intimidation, harassment and assault, and your responsibility to the taxpayers of the City and County, such as myself, who openly will bare that share of responsibility and not allocate it personally to you, should you fail to act to bring these criminal activities to an end. Thank you.

Commissioner Mazzola thanked Mr. Hasbrouck for his comments.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

The Airport Commission did not go into Closed Session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.


The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission, the meeting adjourned at 9:15 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

December 7, 2010

9:00 A.M.

Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco

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Vice President

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PETER A. STERN

JOHN L. MARTIN

Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of
December 7, 2010

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	4.	Modify Taxi Trip Fee to Eliminate Existing Short Trip Fee, Establish Minimum Taxi Fare from SFO and Increase SFO Taxi Surcharge		6-16
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	5.	Novation of Terminal 2/Boarding Area D Escalator Maintenance Contract from Turner Construction to Airport and Renaming it Contract 9004, Terminal 2/Boarding Area D Escalator Maintenance	10-0342	16
	6.	Novation of Terminal 2/Boarding Area D Elevator Maintenance Contract from Turner Construction to Airport and Renaming it Contract 9003, Terminal 2/Boarding Area D Elevator Maintenance	10-0343	16-17
	7.	RFP for Design-Build Services, Contract 9036 - Baggage Screening Safety and Optimization Project	10-0344	17
	8.	Modification No. 22 to SFO Shuttle Bus Co. Employee and Long Term Shuttle Bus Services Contract - Exercise 4 th of 5 One-Year Options	10-0345	17

9.	RFP for Contractor to Staff and Manage the Airport's Information Booth Program	10-0346	17
10.	Approve Lease with China Airlines,, Ltd. for Rental of Warehouse and Office Space within West Field Cargo Building 648	10-0347	17
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AIRPORT COMMISSION MEETING MINUTES
December 7, 2010

A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 9:05 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:	Hon. Larry Mazzola, President
	Hon. Linda S. Crayton, Vice President
	Hon. Eleanor Johns
	Hon. Rich Guggenhime
	Hon. Peter A. Stern

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C. ADOPTION OF MINUTES:

The minutes of the special meeting of November 23, 2010 were adopted unanimously.

No. 10-0338

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D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

1. Resolution of Appreciation for Former Airport Commissioner Caryl Ito

No. 10-0339

Mr. John L. Martin, Airport Director said this item recognizes former Airport Commissioner Caryl Ito for her 12 years of outstanding, dedicated service to SFO.

Commissioner Mazzola said that Caryl did an outstanding job.

Item No. 2 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

2. Resolution of Appreciation for San Mateo County Supervisor Mark Church

No. 10-0340

Mr. Martin said that this item recognizes outgoing San Mateo County Board of Supervisor Mark Church who served as Chair of the Airport Community Roundtable for the last five years, and has a total of 15 years of service to the Roundtable. We want to thank him for his work.

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E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

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F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was moved by Commissioner Johns and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

3. Bid Call - Contract No. 9000 - Solid Waste Management Services

No. 10-0341

Resolution approving the proposed minimum qualifications and authorizing staff to issue a bid call for Contract No. 9000, Solid Waste Management Services.

Mr. Ivar Satero, Deputy Director Bureau of Design and Construction said this item provides for issuing a call for bids for airport-wide Solid Waste Management Services to ensure the continuous collection of, and recycling of waste at the Airport following the expiration of the current contract in April of 2011. The scope of these services has been developed to align with the Airport's objectives of ensuring uninterrupted continuous collection of waste, to not impact Airport operations and to achieve increased recycling rate over the five year term of the contract. In preparation for the solicitation, staff held a well attended industry outreach meeting to discuss the upcoming opportunity to review key contract terms and the proposed minimum qualifications. In particular, we were interested in industry feedback of the proposed annual escalation in the amount of recycling content of 2% above the current established baseline of 40% based on the current provider's rate of recycling at their facility. This 40% rate correlates to the current Airport's overall rate of 72% of on-site source separation excluding construction demolition debris. When you include the construction and demolition component, this recycling rate jumps to 92% total recycling at the Airport which is well in excess of the City's mandate of 75% by 2010. There were no objections to this baseline rate and the annual proposed escalation of the 5 year term of the contract. Through this requirement, SFO hopes to achieve 79% recycling by year five of the contract, excluding construction and demolition debris. The contract will also include an annual audit provision so we can confirm that the annual recycling increases are achieved. The proposing firms will have one last opportunity to comment on the contract terms during the pre-bid period. Then based on the bids received from the firms meeting the minimum qualifications, we will return to the Commission with a recommendation to award a contract to the

lowest responsive bidder. The annual budget for these services is \$1,000,000, which will be funded from the Airport operating budget.

Commissioner Johns recalled that we had a solid waste renewal a year or two ago and one of the issues was off-site separation. We weren't doing separation in the Airport and there was only one firm that could respond to that. Is this the same solid waste contract?

Mr. Satero replied it is.

Commissioner Johns asked if we have resolved the off-site separation issue.

Mr. Satero replied we have. We are maximizing our source separation. They will do their own recycling assessment at their facility. Our current provider does 40% recycling at their facility. They all have a means of measuring and confirming that they can meet that 40%. We also propose a 2% annual escalation. They will all be able to participate in the solicitation.

Commissioner Crayton asked if everyone who attended these meetings is satisfied and the issues have been resolved in an appropriate way so that each one can bid on this contract.

Mr. Satero replied yes. They can measure. We won't get bids from all of these firms because I'm not sure they all meet the other minimum qualifications. It is likely that two or three of the big firms will bid.

Commissioner Mazzola asked if in this situation a panel would be more efficient than a low bidder.

Mr. Satero responded that we assumed that if the minimum qualifications were met, the bidder should have sufficient sophistication to be able to do our work. We had not thought about this in other terms.

Commissioner Mazzola repeated that he thought this might be more appropriate for a panel.

Ms. Molly Stump, Airport General Counsel, added that staff proposed to do this as a bid which is a low price format. A different decision could be made, if you wish.

Mr. Martin said we could remove this from the calendar Commissioner.

Commissioner Mazzola responded that he just wanted to raise a questions. If this is the decision and you are comfortable with it, that's fine.

Mr. Martin responded that we really haven't given that much thought to it. If we pull it off the calendar we can evaluate the two options and provide a report to you and come back with a final recommendation.

Commissioner Mazzola responded that he just wanted to raise the question. It's not that important.

Item No. 4 was removed from the calendar.

4. Modify the Taxi Trip Fee in the Airport's Rates and Charges to Eliminate the Existing Short Trip Fee, Establish a Minimum Taxi Fare from SFO, and Increase the SFO Taxi Surcharge

Resolution modifying the current taxi trip fees in the Airport's rates and charges as of February 1, 2011, and urging the S. F. Municipal Transportation Authority (SFMTA) to establish a minimum taxi fare for trips from San Francisco Airport of \$17.00 and increase the current SFO taxi surcharge on taxi rides from the Airport effective February 1, 2011.

Mr. Tryg McCoy, Deputy Director Operations & Security said that this is obviously a big change, as you can tell by the number of speakers that are lined up wanting to speak on this issue. First, I want the opportunity to describe the context, what the proposal is, how we came to our conclusion, and ultimately to ask for your support in this resolution. At a Commission meeting this past April, the subject of eliminating the short trip incentive was first addressed during public comment. The Commission instructed me and the Landside staff to hold a public meeting with the drivers to listen to their concerns. I want to insure you that since that meeting we have diligently met with a group of drivers and had over 30 hours of protracted discussions about all things related to the taxi operation at SFO.

Since then my team crafted the proposal before the Commission today. This proposal has been carefully developed after holding 12 meetings with taxi drivers, taxicab company owners and members of the San Francisco Municipal Transportation Agency (MTA).

Both the drivers and my staff have respectfully exchanged ideas about the current time-based short incentive system. Some drivers believe strongly in continuing the system as is, while others felt that the system could be eliminated if an acceptable alternative could be found that will not reduce their income at the Airport.

The resolution before you contains the best possible combination of changes that will balance both the drivers and the Airport's interests.

Let me explain what is in the resolution:

1. Asks the Commission to adjust the 2010/2011 taxi fee rates and charges by eliminating reference to the first short fee being free and the second short fee being \$2.00, and all other trip fees being \$4.00. Replace these fees with a standardized rates and charges trip fee of \$4.00 for all trips effective February 1, 2011.
2. Urge the SFMTA to increase the trip fee pass thru paid by the taxi customer from \$2.00 per trip to \$3.00.
3. Urge the SFMTA to establish a minimum fare on all taxi trips from SFO to \$17.00. Today there is no minimum fare.

In practice, if the resolution is passed, the short trip designation and resulting front of the line incentive will be eliminated. The definition of the current time-based short trip is a paid trip from SFO that takes less than 30 minutes to complete and return to SFO. Today a driver returning from a short or trip completed in less than 30 minutes is permitted to go to the head of the line.

We know that having a time based short system that rewards drivers by giving them front of the line privileges encourages some drivers to speed, drive recklessly and in some cases find ways to cheat the system. Eliminating the time-based incentive to complete a trip within 30 minutes will improve the overall safety of the taxi system.

Some drivers are making San Francisco into a "short trip" destination and this was never the intent of the incentive program. These drivers are creating false "shorts" and enjoying the short trip incentives that were created to incentivize drivers to willingly accept fares to communities neighboring the Airport. The current time based short system rewards drivers that return within 30 minutes from leaving the Airport with a fare. The reward is so great to some that they risk breaking the traffic laws, creating a disturbingly unsafe experience to some cab riders.

The basis for proposing to eliminate the short system goes beyond protecting the riders and eliminating driver fraud and includes our need to protect the Airport from potential financial loss. The City Attorney's office has advised me of the potential of Airport liability in the case of a reckless driving accident with the potential risk exposure to the Airport because we authorized a time based incentive program that rewards drivers that return to SFO within a prescribed time from start to finish.

After 12 separate meetings with the drivers ... one with approximately 75 drivers held in the Museum, and attended by the President of the Commission, Larry Mazzola, and other meetings held with a select group of drivers representing a diverse group of taxi drivers, we have come to understand each other and to listen to many points of view. At least 15 proposals for replacing the existing short trip incentive program were evaluated and debated in the advisory group meetings.

We have heard:

- Some drivers do not want to change the short system and feel that any change will reduce their daily income
- Some want a \$20.00 or more minimum fee
- Some want the entire \$4.00 trip fee passed thru to the customer
- Some want the Airport to design and deploy a GPS based distance tracking system that would continue the front of the line privilege for trips within the prescribed area
- Some want the taxi coordinators to ask passengers their destination and then issue some type of voucher for head of the line privileges when the trip is to surrounding communities. This is a so-called distance based short.

All of the above listed ideas are simply not practicable and would continue the front of the line benefit. They are either too expensive to implement, will slow down the taxi dispatch process, or create such a high minimum fare that would penalize the surrounding communities.

Several drivers have suggested that whatever change is made should be for a trial period and re-evaluated, yet there is no creditable performance criteria by which to judge a trial.

The proposal before you is balanced between the needs of the drivers and our desire to improve the safety of the taxi business at SFO. The proposal is not endorsed by all 3,000 plus cab drivers. Some have become used to the short system and cannot imagine how their income can be maintained without the front of the line privilege. Some love the shorts, some don't. The easy solution is to do nothing. The status quo is always an easy fallback position but we believe it's not the right thing to do. Over the past year, the Landside staff and I looked into our current system, looked into the eyes of the taxi drivers and considered their concerns, and we crafted what we believe is a plan that will generate equal to or better income than the one they are receiving today, and provide a safer system.

We want to tip the scales back to even with a balance between safe driving and a reasonable opportunity for taxi drivers to maintain or grow their revenue from the Airport. A \$17.00 minimum fare and increasing the passenger paid surcharge by \$1.00 for all trips from SFO creates a financial opportunity when combined with the line wait equalization that will result when short trip front of the line access is eliminated. Creation of a minimum fare has shown to be a best practice at many airports where there is a local community surrounding the airport. San Jose has a minimum fee of \$15.00; LAX \$17.50; and DFW, \$21.00 minimum fee.

I do believe that establishment of a minimum fare, an increase in the passenger paid pass thru, plus elimination of the front of the line privileges for taking a short will all have a positive impact on the industry and our customers.

Commissioner Johns asked the past through has to be approved by the MTA. So this would not take affect unless they approved it.

Mr. McCoy replied MTA does set that fee. I believe we have the full support of the MTA to do so. This is effective February 1, 2011.

Commissioner Crayton noted that 12 meetings with drivers were held and that President Mazzola attended one of the meetings with 75 drivers. She noted Mr. McCoy identified some of the things the drivers liked and disliked. Do you have a chart that shows us what's been presented to us. The \$17.00 minimum fare, the increase from \$2.00 to \$3.00 for the pass through that the drivers would have to be responsible for. She asked how the drivers felt about this recommendation ... in terms on consensus.

Mr. McCoy replied Commissioner that's it's very difficult to gauge. There are approximately 5,000 drivers, not all of them play the Airport. Some do some don't. There is not one union that I could negotiate with. There's not one group that represents. There's a diverse group of represented of drivers.

Mr. McCoy said it's hard to gauge. We have listened and my goal was to find what we think is the balance that would make up the revenue.

Commissioner Crayton asked what kind of survey was done.

Mr. McCoy replied we tried to use this group that we met with ... about 12 people who represent diverse groups of drivers and they brought to the table the thoughts of other drivers, but I can't tell you that I know the consensus of the 5,000.

Commissioner Crayton said that she knows Mr. McCoy has been working on this for quite sometime, and thanked him for his diligence and that of his staff. I think a thorough job has been done on behalf of the Airport to bring something that would be presented to the SFMTA. Ultimately they have the authority to set that rate. I think it's important that the drivers have a base rate that they know they can collect and that way they are able to determine, based on the number of trips, they will make x-amount of dollars and know what their income is. That, in itself, is an excellent. It helps them out a lot. To that extent I would want to applaud you.

Commissioner Mazzola said that we have close to 30 speakers. We're going to limit each speaker to 2 minutes. If you're going to say the same thing as a previous speaker, try to hold it to the 2 minutes the best you can. This subject matter is important to you. I'm not trying to shorten, not trying to take your statement away from you but we need to try to keep something going so we don't stay here forever.

Mr. Jarvis Murray, Enforcement Legal Affairs Manager for SFMTA. First, I would like to applaud the Airport for engaging in an open discourse with our taxi drivers to discuss this issue. It's a complicated issue and there's likely not going to be any full consensus on it. However, the SFMTA does stand behind any elimination of the time based short system. Our concern was primarily safety and that many of our drivers were using the shortcuts to get to downtown SF and return to the Airport. We did not want to wait until a catastrophic accident occurred while they were driving 80-90 miles an hour coming back and forth to the Airport and we are very happy that this is moving forward. We are prepared to go before our Board and discuss the changes in our regulation which primarily would have to do with the extra pass through to the customer as well as the minimum fare. I believe this will relieve some of the tension our customers on the Peninsula have with our taxi drivers and, frankly, that our taxi drivers have with the customers. As you may or may not know, there is a possibility that a driver can wait in the taxi lot line for up to 2-2 ½ hours and then get a fare to San Bruno which may be a \$10-\$12 fare and be unhappy with it. At least now, although not everyone will be happy, our drivers know they can expect to get at least \$17 coming out at the Airport. That will relieve some of that anger that they may have towards some of the other passengers. We do think that this is the best solution involved for all the passengers and again, we encourage you to accept the proposal and the MTA is standing behind it and we are very happy that any time based short system is being eliminated. Thank you.

Tariq Mehmood, a taxi driver for almost 9 years. As Mr. McCoy talked to you about the meetings he lied a lot. I come to you for a meeting, you give 5 proposals, we say okay 1, 2, 3, 4, not workable let's talk 5 only. You start talking like that and then you continue 2 hour into 5, we say we will come to the next meeting and then continue from here, but when we go to the next meeting that proposal is even thrown away. Then start with the 3 new proposals. What

happened with the last one which we say continued; they say forget about that. Don't want to talk even. Okay then, the 3 new proposals, he will start again, okay 1, 2 is not good, 3rd, okay 3rd we will continue to talk next meeting. Next meeting is thrown away. That's one of the story. Second, who was in this meeting? Lobbyists. Who was payed financially from the companies? Medallion holders associations; members of the medallion, not the drivers, only 3-4 drivers. I forced myself into it, each driver of the taxis industry know me personally ... 6,000 drivers are known to me but they cut me out. I had to push myself into it. As regard to the people, the 6,000 drivers, 18,000 family members has come to you to beg you. It's a disastrous proposal. I stay two hours at the Airport and I get a short and I make \$17. Again, I stay two hours and I get a short and I get \$17 ... \$34 in 4 hours. A taxi driver need to make a minimum, a minimum \$30 per hour, \$120 in 4 hour. Why? Because in 10 hours he needs to have \$300 ... \$150 to goes to the company for gas and the gate and \$150 to the driver for 10-12 hours, \$15/hour. He has no dental, no medical, no retirement, nothing. I got into a serious trouble last week. I was holding my heart and I could not call 9-1-1 because I don't have money to pay any bill. This person is lying ... Mr. McCoy also. They're also putting the airport shuttle next to the taxi. That's going to reduce my income. Overall this entire proposal is going to reduce my income by 40-50%. Please look into that, and don't look into what he's saying. He's lying, and lying, and lying.

Mr. Mark Gruberg, United Taxi Cab Workers, just be really clear about this ... the vast majority of drivers oppose doing away with the short. Just be absolutely clear. These drivers here are a small fraction of the drivers in this industry, if they're working their day shift, they are taking money out of their pockets to be here on a busy day with a convention in town. If they worked the night shift last night into the wee hours of the morning, they got up to be here to send this message to you, and you'll hear more about that. This is a vital issue for drivers and you will hear from them. But I want to be very clear about something because it's transparently clear to me that this is going to hurt the public. Let me explain to you why. Drivers who have this uncertainty about whether or not they are going to get the short are simply not going to choose to play the Airport. If it's busy in town, they're going to stay in town because they're not going to take a chance that they'll sit for an hour or 2 hours in the lot and get a short and then have to come back and wait another 2 hours in the lot for maybe another short. You are going to be stripped of cabs at the very time you most need them, when it is busy. You'll have cabs when it's slow, granted. You will not have them when it's busy, when you need them. Do not, do not pass this, please. The proposals that have been put forward are not in favor of a time based short. A time based short does not have to be the final solution. In New York they have a distance based short. It's been in effect for years; this was proposed. A GPS based short can be done. It's technically feasible. Send this back to the drawing board. Thank you.

Mr. Bud Hazelhorn, cab driver, said that it's impossible to respond to a 15-minute speech in just 2-minutes. The implication that there's a choice only between the time based system and a short system, and no shorts at all is absolutely misleading. We have proposed all along that the Airport simply change the short system to a geographic based system which would eliminate the question of speeding. Mr. McCoy said that there is no means to evaluate the success of a new system and that is also misleading. We can certainly hold meetings and

collect testimony, or, as Commissioner Crayton said, we could conduct surveys. None of those have been done. I have tried to look at this issue fairly, and I have no confidence in how eliminating the shorts would actually turn out. I asked a friend of mine, who happens to be a world renowned mathematician, to solve the problem and his answer was, in the short term the line might run faster, but in the long term we will lose income. Last week I got 4 shorts in a row. I returned to the Airport because I could return to the front of the line in the short system as it stands now. If we end up with one long line I will not be coming back to the Airport. The affect on my income and others who depend on the short system is going to be significant because there's no way, even with this idea of getting \$17, which in fact is \$16 ... \$16 is nothing. To wait 2 hours and come up with a \$16 fare, return to the line, and get another \$16 fare is absolutely outrageous. It's not feasible. Lastly, if this system is instituted, please review it at 3 months and then again at a year in order to really evaluate the effect on the drivers.

Mr. Patrick McCollum, a green driver, said that he had signatures of 500 drivers he collected personally in less than 10 hours, the time of one taxi shift. This is from the lots at SFO. I don't have time to read the statement here that we signed but I ask that it be included in the record later. Now, 500 signatures in under 10 hours was easy. The response was overwhelming. I spoke to 508 drivers to get those 500 signatures. I'm speaking for them today to show you some very simple math. We've been talking about a \$17 minimum. Forget that. It's not a \$17 minimum because we pay the Airport \$4 for every one of those rides before we even see a passenger. We're talking about \$13 minimum for the fare.

Commissioners Mazzola asked the group to hold its applause.

Mr. McCollum said that I'm working with an estimate of an average, sometimes a lot is fast, sometimes it's slow. I find in my experience the average wait is about 1-1/2 hours. Add 30 minutes to for the short ride to and from the Airport and you have two hours invested in this average case. The overhead that we have is, I'm conservatively estimating as \$10/hour; it's really more for many drivers. So what we've got here is a \$13 fare in a minimum case. We've got a \$20 cost. We've got a profit for our 2 hours of negative \$7. Now in most cases we're going to get a \$2 tip for that. That brings it up to a negative \$5. If we can only think of a way to get that negative \$5 up to zero, we would have slavery. Slavery has been illegal for a century and a half but it's a damn bit better than listening to what's being proposed.

Commissioner Mazzola said to the audience that you're going to shorten the time on your speakers is what you're going to do, so.

Mr. McCollum said that in my experience, 1 of 5 rides I have at the Airport is a short ride. Consider Russian Roulette with a 5 chamber gun. This proposal is making Airport service a fools gamble. I'm not going to do it. I'm just not going to go down there. If I take somebody to the Airport, I might take a peak and see how it's moving but I'm never going down there and take that risk. I can't make money that way. It's going to have a terrible affect on our income. Thank you for your time.

Tarek El Dardiri thanked the Commission for allowing us to express our opinions. First, I want to thank you very much, the management, Commission of SFO for organizing all the system of this taxi industry. I can't add anything other than my

colleagues and friends have added. I don't want to waste some more of your time, but really, we are in San Francisco which is tourist city and this really can affect people, tourist. And we are serving the City really. We are assisting and we are trying to help as well as making our own break and butter. We don't want at the end with this nice organization and everything to take a decision that might affect afterwards the performance of our intentions. I suggest, if it's possible, for us to resurvey, as it was indicated, and to make better research with more legitimate commissions of drivers that can give a studied opinion to reach a better solution of this problem. Thank you very much.

Mr. Brad Newsham said on February 5th 35,000 members of the National Automobile Dealers Association are due to arrive for a convention. Here's my letter to their office in McLain, VA. "On behalf of all San Francisco cab drivers I apologize for the disruption that will greet you on February 5th. No taxicabs will be available to transport you from SFO to downtown. The current Commissioners are 100% responsible. Previous Commissioners worked with the driver body to craft a dispatch system that made San Francisco, SFO dignified, driver-friendly to work and the corruption that was rampant when I started 25 years ago has been driven out. However, there is a minor flaw in the system exploited by perhaps 1% of the drivers. Instead of implementing any of the reasonable suggestions proposed to them, the Airport Commission ramrodded into place a system that makes it almost impossible for drivers to break even. It's just plain mean. Watching this process has been like watching a strong armed robbery unfold. In the best of times cab driving pays little more than minimum wage. The new system guarantees that there will be days when cab drivers will work their entire shift for less than zero. We will not earn enough to pay the daily rent on our cabs much less anything to take home for ourselves. The Airport, however, is guaranteed millions of dollars in new fees. I believe that if any of you had observed the process, you would not deem it consistent with the values enumerated in your dealers' code of ethics. I feel certain that no respectable car dealership would treat its mechanics or office staff in the off-hand way we drivers have been treated by the Airport Commission. You can imagine the desperation that would drive us to refuse to serve a group that has been as reliable, friendly, and generous to us as your association has been. Yours however, is simply the first large group scheduled to arrive after the new system goes into place. We've been backed into a corner and to maintain any sort of dignity, we must stand up for ourselves ... strike. If you have any questions or comments for the Commissioners, their email and phone number is listed below, as is mine. Again, my apologies in advance."

Mr. Wosen T. Habib said that the proposal to eliminate the existing short trip is a disaster. Please don't do it. Please don't do it. It's not only going to affect our income, it's going to affect you. It's going to be more stressful and you'll see more accidents in the City than you've ever seen. Please don't do it. Thank you.

Mr. Matt Wetzr has been driving a cab for 19 years, 15 at the Airport. I've had one vacation of 15 days. My main concern is this will affect passenger service. We have worked hard to cultivate our passenger service. They have come to rely on the taxis. We're here all the time, we have the best airport taxi service anywhere in the nation. The business traveler especially has come to depend on us. I've already talked to business travelers in my cab. They said they're not going to be

happy if there's not cabs out there. They said they expect them, they get good service and they are not going to be happy being pushed into shuttles. This will affect passenger service without a doubt. I think you can take a look at the first Friday night after this takes affect. You will not have cabs. People are not going to go out there. And as far as the minimum fee ... our minimum fee is about \$14, anyway. I rarely get a ride under \$14. The \$14 minimum fee is not even a minimum. Once again, this will affect passenger service. Business travelers think we have the best passenger service in the nation. We get them to downtown like that. Something that affects passenger service will affect the Airport. This needs to be re-looked at. There are solutions to cutting out corruption in the short line ... the jumping. There's solutions where the Airport can get \$4 for each trip through. I don't think drivers are against that. But again, passenger service ... we've worked on it for 10 years. We've cultivated it and we could be giving it away and never get it back. Think about that.

Mr. Stuart Brandt said first of all I want to thank you for the opportunity to speak. Most of what's on my mind has been said. The Airport's main issue seems to be a time based problem with the shorts and liability ... that's easily solved with a distance base. Our loss of income has been stated many times. I've no doubt I will be working the Airport less, if at all, if this goes into effect. I would urge you not to pass this and to do a little more research into a better system. Thank you.

Mr. David Nguyen, taxi driver, heard the Airport say that taxi drivers drive reckless and speed and that's why they want to stop the short trip. That is misleading. Any profession ... we do different, look different with the ordinary job. Taxi drivers are professional. We are driving safely and never speeding because we are doing a service for the public. Now, the ordinary people they look at anything that we are reckless but. No, we try to find the short way to drop off the customer quick and we got another fare. That's how we learn. The short trip ... they think we are doing the speeding and we are not. We learn how to get on the freeway, we learn to get the short way to make the time. We are abusing time, we use our profession to catch a time to make people do business and make money and the customer they happy when we took them quickly. We bring them home quickly. We don't do the reckless because we are professional. We know how to do it, we know how to drive, we know how to pick up, we know how to make money because we have \$150 expenses. Well, that is not true. Thank you very much.

Mr. Martin Smith, green cab driver, seconds the previous speakers who are not in favor of not eliminating the short. It works pretty good. Of course it can be improved but what has been proposed is not the way to go. As far as safety, you know the taxi industry is probably one of the safest industries that you can imagine if you calculate the time and distance drivers drive. Unsafe drivers will be eliminated by having accidents, or tickets, or they will be asked to leave. There's CHP, the SFPD who can enforce the speed of various drivers on the freeway or the Airport, and this is a job. Maybe they should do it better. And one other thing I want to mention ... I made a special trip to be here. There's a sign at the Airport once you leave the upper level ... "Taxis Needed." When the sign is on, drivers leaving the Airport tend to go to the lot just to make sure there are enough taxis down there. That sign is inaccurate 95% of the time. Whoever takes care of the sign should turn it off after no more taxis are needed. Nine out of 10 times when I

go down to the garage I find that 2 or 3 lots are full of cabs. This creates additional traffic, additional pollution, and wastes everyone's time. Thank you very much.

Mr. Dave Barlow, Taxicab Workers, said I'm stating my objections to the proposal from the Airport passengers point of view. All of the passengers who are going close to the Airport would be overcharged, and the flat rates being considered are contradictory to taxi service. Flat rates are for per capita service ... charters, buses, and limos. Visitors can accept a surcharge of \$3.00 at an airport, but not a flat rate for a taxi. It's an exception to taxi service as people understand it around the world. Passengers going to airport hotels, car rentals, airfreight, will have to pay extra. An exceptional amount in the aggregate because SFO can't solve its short trip problem. The 30 minute time limit hasn't worked, but have you looked at odometer checks, destination tags, or GPS displays? To set up something based on one of those would have a reasonable cost easily recoverable in a \$1 surcharge.

Mr. David Perlin, a cab driver for over 21 years and very proud of it. I'm proud to serve the City and the people here. I find this to be a viciously anti labor proposal that no trade union would ever permit as far as the cutting of income such as this. I've been in a trade union for most of my life. I'm a member of the UTW; I was a member of the ILWU for many years before this. This type of proposal that goes against basic workers rights does not belong in San Francisco. It was created by bureaucrats in a totally undemocratic fashion. They can easily spend the time and the minimum money to make a survey of the vast majority of cab drivers and find out what we really believe. 90% they will find are totally against this proposal. The other thing that bothers me a lot about this is you're talking liability. If this was an issue, if this was a problem, already the Airport and the Commissioners would be swimming in legal cases now because the short system has been going on for years and years and years. If there's legal liability the lawsuits will be coming out of the sky and everywhere else. That has not happened. That is the proof that the liability issue is a farce. I would also like to say that it's an impossibility for me to play the Airport if I know I'm going wait a couple of hours for another \$17 fare or something along those lines. It's just ridiculous. No working person would put up with this in the City of San Francisco. I don't know why we have such little respect from the City. We are being treated like chattel. I think there are other solutions that can be found, if anybody really cares to. I appreciate your time.

Mr. Ajay Khadka, cab driver, said I'm here parking my car without taking customers in busy hours. I think that if the system goes through I'm not going to work in Airport. I'm going to find some other new jobs because staying in the Airport for 2 hours, sometimes 2 ½ hours, sometimes 3 hours due to weather, and if you make \$14 per shift, and if it happens that by bad luck it's 3-4 shifts ... four shorts in a day, that means you are going home without anything in your pocket. And you have to pay from your pocket to the company, too. This is not a good way to eliminate the shorts. Maybe you have to find some other way, with discussion with drivers and some other authorities. Thank you very much.

Mr. Sang Ta Yellow Cab driver, asked that the shorts not be stopped.

Mr. Tekle Berhan Mekbebe, a Yellow Cab driver since '95, said the short cannot be eliminated because there is no way we can make a living. Wasting two hours at the Airport, with one hour to come and go. Taxi companies are asking \$120 for 10 hours. With this kind of expense, we cannot make a living. If this passes I cannot afford to go to the Airport. I just have to try my luck in the City. Thanks.

Commissioner Mazzola said he kept track and it's like 17 to 1 against. I think you're all going to be against it. We're going to take it off the calendar and ask staff to look at it again, have more hearings. Let's see if we can get together and solve the short problem, because it is a problem of safety. Even though you don't think it's a problem, it is a problem, recognized by everyone as being a problem. We need to solve it, one way or another. We'll take it off and bring it back and try again. We aren't going to take any more testimony today. It's off the calendar.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 5 through 11, was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

5. Novation of Terminal 2/Boarding Area D Escalator Maintenance Contract from Turner Construction to Airport and Renaming it Contract No. 9004, Terminal 2/Boarding Area D Escalator Maintenance

No. 10-0342	Resolution novating Terminal 2/Boarding Area D <u>Escalator Maintenance</u> between Turner Construction and KONE, Inc. to the Airport, in the amount of \$1,970,000, thereby reducing the Guaranteed Maximum Price (GMP) of the Terminal 2/Boarding Area D project to \$378,258,317.
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Commissioner Johns asked what "novation" meant.

Mr. Satero replied that novation is the process where we bid a contract that has provisions that will eventually come under a separate contract directly with the Airport. For instance, the baggage handling system also included operation and maintenance which happens after construction, as part of the bid services of the baggage handling system provider. We had a novation agreement in their bid contract. This is an agreement they signed that says we will enter into a contract with the Airport directly after construction is completed. We take that contract and it becomes held, or novated to the Airport directly. The Airport then holds the contract directly with that provider for those follow on services.

Commissioner Johns said that a definition somewhere would have been helpful.

Ms. Stump said that essentially it's transferring a contract from one party to another. So these are contracts that initially were with Turner and now they're essentially being shifted to the Airport as Turner completes its work.

6. Novation of Terminal 2/Boarding Area D Elevator Maintenance Contract from Turner Construction to Airport and Renaming it Contract 9003, Terminal 2/Boarding Area D Elevator Maintenance
- No. 10-0343 Resolution novating Terminal 2/Boarding Area D Elevator Maintenance between Turner Construction and KONE, Inc. to the Airport, in the amount of \$2,168,139, thereby reducing the Guaranteed Maximum Price (GMP) of the Terminal 2/Boarding Area D project to \$380,390,269.
7. Request for Proposal for Design-Build Services, Contract No. 9036, Baggage Screening Safety and Optimization Project
- No. 10-0344 Resolution authorizing the Airport to issue a Request for Proposal for Design-Build Services for Contract 9036, Baggage Screening Safety and Optimization Project.
8. Modification No. 22 to SFO Shuttle Bus Co., Inc. Exercising the Fourth of Five, One-year Options to Extend the Contract for Employee and Long-Term Passenger Shuttle Bus Services Effective January 1, 2011 thru December 31, 2011 in the amount of \$8,100,000
- No. 10-0345 Resolution approving Modification No. 22 to the SFO Shuttle Bus Company contract exercising the fourth of five one-year options to extend the contract for employee and long-term passenger shuttle bus services at SFO effective January 1, 2011 through December 31, 2011 in the amount of \$8,100,000.
9. Authorization to Issue Request for Proposals (RFP) for a Contractor to Staff and Manage the Airport's Information Booth Program
- No. 10-0346 Resolution authorizing Airport staff to issue a request for proposals for a contractor to staff and manage the Airport's Information Booth Program and to enter into negotiations with the highest-ranked proposer.
10. Approval of a Lease with China Airlines, Ltd. for Rental of Warehouse and Office Space within West Field Cargo Building 648
- No. 10-0347 Resolution: 1) Approving a lease with China Airlines, Ltd. for cargo warehouse and office space at Building 648, West Field Cargo Building 1, on Plot 10, and 2)

Directing the Commission Secretary to forward the lease to the Board of Supervisors for approval.

11. Technology Products Stores Lease No. 07-0108 - Approval of ILJ San Francisco, LLC's Sublease Agreement with Soundbalance

No. 10-0348

Resolution approving ILJ San Francisco, LLC's sublease agreement with Soundbalance under Technology Products Stores Lease No. 07-0108.

* * *

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Steve Pitocchi, SEIU, said I'm speaking to Item 9 which authorizes issuance of a request for a proposals for a contractor to staff and manage the Airport's Information Booth program. There are currently civil service classifications that can fulfill the needs of the Airport in regard to this service. I just happened to see the agenda this morning and was wondering if there was consideration by the Airport to fill these positions with Civil Service classifications, as they are available, rather than contract out. It would be our position to oppose an RFP when the Airport could certainly staff with management and supervisors and customer service Civil Service employees.

Mr. Martin responded that we will follow up later. We do have a Prop J analysis that compares a private / public sector costs. Many of these employees have worked at the Airport for 15 or 20 years.

Mr. Barry Toronto, cab driver, welcomed Commissioner Stern. I have a lot of respect for Caryl Ito. It's a shame she did not continue, but I hope you can perform just as well and also get to learn about taxi operations at the Airport. He also congratulated President Mazzola on his son's appointment to a Commission. Happy Hanukkah to people who observe it. He also acknowledged that today was the anniversary of Pearl Harbor. My grandfather, may he rest in peace, was born on this date.

Mr. Taranto said that when you have to involve another Commission, especially the MTA, you have to give a lot more time because they aren't meeting again this month after today. You have to look at what it takes to get the MTA involved in issues related to taxis at the Airport. To assume the MTA will go along with something or have a conversation with them, or have them involved in the first place is a huge mistake. I'm not speaking to the proposal at hand because it's already been discussed.

I'm going to file a Brown Act complaint because of the way this has been handled. I appreciate you wanting to put this on hold and have more discussion about it, but to eliminate or not allow someone ... I came 55 minutes to get to this meeting to speak

and you denied my opportunity to speak under this agenda item and the public hearing process. It's a mistake to do that. You could have said that we are going to put this on hold and you don't all have to speak, but those who do wish to speak please come forward ... and please don't repeat things that have already been said.

Commissioner Mazzola commented that he said that.

Commissioner Johns agreed that Commissioner Mazzola did say that.

Mr. Toronto replied no, I didn't hear that at all.

Mr. Toronto said there hasn't been enough notice about the proposal. We got wind of this last Wednesday. I opened my agenda early this morning and saw it. When you do something as drastic as a change that's been on for years and years and years, you need to require a lot more notice and have available the documentation about what's going to happen, and it wasn't done here. This is what happened years ago when you raised the fee at the Airport and then they had the protest because there wasn't this interaction going on. I miss Duke. Duke was an angel. I'll never forget how sensitive he was, how much he handled. Duke Briscoe was the predecessor to Tryg McCoy. He was a wonderful individual. I believe he's still around, I hope.

In closing, this issue requires a lot more understanding about how cab drivers make their money and the fact that conditions have changed. More and more drivers are going independent and not working gates and gas for companies and have different relationships as cab drivers out there. The expenses are a lot higher and they have to deal with the fact that they have a loan to pay off in many cases. It's getting more and more that way. It's important to do a study, to actually get documents. Do you see the average fare from the Airport on the shorts? Do you know those figures? All of a sudden they said \$17, including the pass through fee. Do you really know how much it cost for a driver to do the short from the Airport to a hotel on El Camino or in San Mateo. The minimum should be \$20 ... \$17 plus the pass through. I think you should also do a pilot project. I think it's important to look at an experiment. This is not about safety I'm telling you on my bible, on my life, on my soul ... this is about them wanting money. This is about the Airport needing to pay expenses. Let's find a different way of dealing with it rather than throwing out the baby with the bath water. Thank you.

Commissioner Crayton said that for her it is a matter of safety. Tryg has been working on this for years, it seems. She asked what Mr. Taranto suggested regarding the shorts. She asked if he was in favor of them.

Mr. Toronto replied, yes, I'm in favor.

Commissioner Crayton said that we are ultimately responsible for safety and other issues in regards to the Airport.

Mr. Toronto thought perhaps there need to be modifications. Someone suggested we look at distance, or to have the hours certain times. I've always thought you should cut off shorts at after 9 or 10 o'clock at night when there's no traffic, or reduce the shorts at 25 minutes. I think that more of the problems are later at night when there's hardly any traffic. The likelihood of someone speeding back from the City is less when

there's hardly any traffic. When there's traffic it's almost impossible to make a short from anywhere north of Townsend Street.

Commissioner Crayton said there's no consensus. How do you present a draft proposal that everybody likes? There's no chance.

Mr. Toronto agreed. There are some things about some proposals that people are not going to like, for example, when you have holidays and slow periods where drivers sit for hours and then all of a sudden they get a short.

Mr. Mark Gruberg thanked Commissioner Mazzola for what he did on the taxi issue. Following up on Barry comments, which is a matter of process, this was brought to a committee of drivers. There were months of meetings last spring and summer, ending in July. We didn't hear a peep until last Wednesday, which is when we learned the Airport was ready to move ahead with this. It was less than a weeks notice after about five months of complete quiet. It's evidence that there wasn't any real urgency about this in the Airport's mind, and, we deserve more notice than we got. Last Wednesday, at the same meeting that this final proposal was presented to drivers, it was announced that in connection with the reopening of Terminal 2, door to door shuttles would be moved from the upper level to the lower level of the Airport where the taxis pick up. That, of course, puts them in direct competition with taxis and the concern is that there are many times in the course of operations when there are hundreds of cabs in the taxi lot but there are no cabs at the stands. The reason is that the system does not allow for getting the cabs from the lot to the stands. You come off a plane, you come out and you find a line of 50 people waiting for cabs and there are no cabs ... or maybe one or two. You assume that the Airport does not have enough cabs to serve you and you wait on line because you don't have much choice. When you put the shuttles right next to the taxis and people are under the mis-impression that there aren't any taxis in the Airport, they're going to walk over and take a shuttle, not because that was their intention but simply because they think it's the only form of transportation available to them. This is highly unfair. It's going to take a huge chunk out of driver's pockets. Presenting this in conjunction with this other proposal is going to be devastating to drivers and I think to passengers and the Airport. It seems like a concerted attack on the taxi driver. I would ask the Airport management and the Commission to reconsider this idea of bringing the door to door shuttles downstairs next to the taxis.

Mr. Tariq Mehmood said thanks a million for the help to the drivers today. Secondly, regarding what's going on at the Airport. I worked myself as a manager in the hotel industry for seven years before I got laid off on 9/11. I went to taxis and then decided I liked the freedom, and I would like to stay with it. So, I'm familiar with the task force meetings and other things. Mr. Martin, you need to look into the situation. Mr. McCoy ... he was absolute trouble with us in the meetings. In one of the meetings he used his fist and banged like that and said to me "I'm going to finish the short." It's not "I". If the issue has some reason. Some validity. Then he keeps changing the story so many times. I was really upset with that. Then in the meeting they got police officers in the white dresses having the tags on the front. I said why do you want to scare the drivers? We are here to talk. We are not here to attack anybody. We are respectable, reasonable people. This attitude, and then they kept changing the messages with us continues. I told them a hundred times your people ... the starters, they are cheating, not the driver. They have some favorite driver and they cut the game in such a way.

Even the starter approached me personally last week and he said you want a good deal come to me. I'm not a police to go after everybody. They don't want to check what their starters are doing at the Airport. The thing is I would like ... it's very difficult, honestly. I'm a taxi driver. Please, we need your help. You have been wonderful to us and we need your help. Thank you.

Mr. Patrick Gorman, San Francisco resident, informed the Commission that he is currently working with the Park Department at Candlestick Park. On either January 8th, 15th or 22nd he will run a test of a floating runway, which he invented to provide SFO a large runway without landfill. He will let the Commission know. No date has been set with the Park Department, although it will be on a Saturday afternoon.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 10:24 AM and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

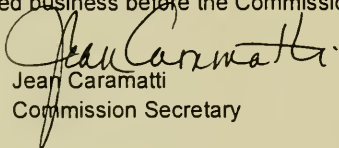
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 10:30 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission, the meeting adjourned at 10:31 AM.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

December 21, 2010

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

GAVIN NEWSOM, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

ELEANOR JOHNS

RICH GUGGENHIME

PETER STERN

JOHN L. MARTIN

Airport Director

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Minutes of the Airport Commission Meeting of
December 21, 2010

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C.		ADOPTION OF MINUTES:		
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D.		SPECIAL ITEMS:		
	1.	Retirement Resolution - Michael G. Brown	10-0350	4
	2.	Retirement Resolution - Vicente Bartolome	10-0351	4-5
E.		DIRECTOR'S REPORTS:		
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F.		ITEMS INITIATED BY COMMISSIONERS:		
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	4.	Modification No. 1 to Contract 8408R - Public Information Displays Upgrade - Liberty Electric of San Mateo, Inc.	10-0352	5
	5.	Clear Channel Outdoor Airport Advertising Lease No. 00-0408 - Exercise First of Three, One- Year Options	10-0353	5-6
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	6.	Exercise One-Year Option to Extend Contract 8861 - Airport Security Threat and Vulnerability Assessment - NASS	10-0354	6
	7.	Authorization to Accept Proposals for Rapid Charging Stations Lease	10-0355	6
	8.	Authorization to Issue RFP and Enter into Negotiations for a Marketing Services Contract	10-0356	6
	9.	Modification No. 1 to Noise Insulation Contract - C. Kell Smith & Associates	10-0357	6
I.		NEW BUSINESS:		6
J.		CORRESPONDENCE:		7

K.	CLOSED SESSION: Settlement of Unlitigated Claim: MEA / John Payne v CCSF Potential Litigation:	7
L.	ADJOURNMENT:	7

AIRPORT COMMISSION MEETING MINUTES

December 21, 2010

A recording was not available for this meeting.

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:

Hon. Larry Mazzola, President

Hon. Eleanor Johns

Hon. Rich Guggenheimer

Hon. Peter A. Stern

Absent:

Hon. Linda S. Crayton, Vice President

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C. ADOPTION OF MINUTES:

The minutes of the regular meeting of December 7, 2010 were adopted unanimously.

No. 10-0349

* * *

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Johns and seconded by Commissioner Mazzola. The vote to approve was unanimous.

1. Retirement Resolution for Mr. Michael G. Brown

No. 10-0350

Resolution thanking Mr. Michael G. Brown for 24 years and 6 months of dedicated service with the City and County of San Francisco, and to offer best wishes for a long and fruitful retirement.

Item No. 2 was moved by Commissioner Johns and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

2. Retirement Resolution for Vicente F. Bartolome

No. 10-0351

Resolution thanking Mr. Vicente Bartolome for

more than 13 years of dedicated service to the City and County of San Francisco, and to offer best wishes for a long and fruitful retirement

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E. DIRECTOR'S REPORTS:

3. Annual Report of Airport Contract Awards to Local and Disadvantaged Business Enterprises for Fiscal Year 2009-2010

Annual Report on the 2009-2010 Airport Contract Awards to LBEs and DBEs.

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F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was moved by Commissioner Guggenhime and seconded by Commissioner Sterns. The vote to approve was unanimous.

4. Modification No.1 to Contract No. 8408R - Public Information Displays Upgrade Liberty Electric of San Mateo, Inc. - \$765,000

No. 10-0352	Resolution modifying Contract 8408R, Public Information Displays Upgrade with Liberty Electric of San Mateo, Inc. in an amount not to exceed \$765,000 for a new total contract amount not to exceed \$4,044,180 to increase the scope to include installation of Museum Kiosk Display Exhibits, Outbound Baggage Systems Displays, equipment upgrades and architectural finishes.
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Item No. 5 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

5. Clear Channel Outdoor, Inc.'s Airport Advertising Lease No. 00-0408 Exercise the First of Three, One-Year Options

No. 10-0353	Resolution approving the exercise of the first of three, one-year options under Airport Advertising Lease No. 00-0408 with Clear Channel Outdoor, Inc. for a term of April 1, 2011 through March 30,
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2012, under the same terms and conditions.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item nos. 6 through 9, was moved by Commissioner Guggenheimer and seconded by Commissioner Johns. The vote to approve was unanimous.

6. Exercise One-Year Option to Extend Contract No. 8861 - Airport Security Threat and Vulnerability Assessment - NASS - \$80,000

No. 10-0354	Resolution approving Modification No. 4 to Contract 8861, Airport Security Threat and Vulnerability Assessment with NASS, to exercise the one-year option to extend the contract duration from May 31, 2011 to May 30, 2012 and to increase amount by \$80,000 for a new total amount of \$800,000.
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7. Authorization to Accept Proposals for Rapid Charging Stations Lease

No. 10-0355	Resolution authorizing staff to issue a Request for Proposals for the Rapid Charging Stations Lease.
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8. Authorization to Issue a Request For Proposals and Enter into Negotiations for a Marketing Services Contract

No. 10-0356	Resolution authorizing staff to issue a Request for Proposals and enter into negotiations for Marketing Services to retain and develop airline service, support internal revenue-generating SFO divisions and develop social and digital media networks.
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9. Modification No. 1 to the Noise Insulation Contract - C. Kell Smith & Associates - \$200,000

No. 10-0357	Resolution approving Modification No. 1 to the Noise Insulation Consulting Contract with C. Kell Smith & Associates, Inc. exercising the one-year option to extend the term for one-year and to increase the contract amount by \$200,000 for a total not-to-exceed contract amount of \$950,000.
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I. NEW BUSINESS:

There were no requests from the public to speak.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. CLOSED SESSION:

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:18 AM and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to consider recommending that the Board of Supervisors approve the settlement of an unlitigated claim: Municipal Executives Association / John Payne v. City and County of San Francisco on terms recommended by the City Attorney; and Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:40: AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

The Commission voted unanimously to disclose the settlement of an unlitigated claim: Municipal Executives Association / John Payne v. City and County of San Francisco on terms recommended by the City Attorney.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:41 AM.


Jean Caramatti
Commission Secretary

547598

